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COMMENTS

Although the General Strike is over, it is doubtful if the atmosphere is yet clear enough for calm and cooler counsel. However, many people must have welcomed the re-appearance of Mr. W. L. Hichens in the middle pages of the first issue of *The Times* after the Strike had been called off. It is, moreover, rather remarkable that Mr. Hichens' letter failed to excite more curiosity and discussion. Among other very reasonable things, he maintained, quite rightly, that the General Strike, like the Great War, was the inevitable result of a traditional policy of suspicion and hostility. The workers, he contended, have been brought up to believe that the capitalist is their natural enemy, and the interests of both have been regarded as mutually inconsistent. Most of us will agree with Mr. Hichens in making such assertions ; they are only too true, but before we can "bury the past" effectively, as he desires us to do, we must recognise that, as he states them, those assertions are only half of the real truth. The workers, as Mr. Hichens well knows, although he does not say so, are not alone the sport of an ill-tempered and ill-mannered creed. If the workers have been brought up to regard the capitalist classes as their natural enemies, there is another chapter in the industrial story to be read which recounts tales of equally miserable training. The curse of a traditional policy of suspicion and hostility is that all sections of the community have contributed liberally to its sustenance. Mr. Hichens was, however, undoubtedly on the right line when he suggested that if prosperity is to return the first essential is to recognise that labour and capital have common interests ; that they can only succeed if they pull together ; that construction, not destruction, must be their motto. It is to the interests of the employer, as well as of the worker, that as high wages as possible should be paid. We should aim, wrote Mr. Hichens, not at a living wage but a saving wage. But high wages can only result from high productivity, and this can only be achieved by co-operation. Mr. Hichens then suggested that the Trade Unions and employers for each industry should meet to consider what steps can be taken to achieve greater productivity, and also how a fair share of it can be secured to the workers.

Mr. Hichens went one step farther and suggested that, as was proposed by Mr. Frank Hodges some years ago, there should be a five years' truce, during which it should be agreed to submit all disputes to arbitration. This would do more than anything else to restore confidence and give our industries time to re-organise themselves. This is, we venture to suggest, one of the sanest utterances made during the past few weeks and deserves the widest possible publicity.

The decision of the French Government to intervene on the market in order to protect the franc against further falling brought about a prompt recovery in francs. This movement began on the evening of Wednesday, the 19th, by when the franc had attained its lowest "record," viz. 176.50 to the £ sterling (even 178 in New York). Three days later the £ was being quoted in Paris at about 150 francs, a rate unattained during the preceding fortnight, when francs had been rapidly falling. During the Whitsun holidays the franc improved in New York still further, the £ sterling parity being 144.34 francs on Monday, the 24th. Whether the French currency will improve much further, or whether there will be a relapse before long, it is impossible to say ; the erratic movements we have just witnessed show once more how artificial the whole thing is. The mere threat of Government intervention was sufficient to check a movement that was due partly to speculation, partly to the precipitate buying of francs by French importers, and partly to the endeavours of some other countries to protect their respective currencies by means of franc selling, e.g. Italy. By the way, it is curious to observe how the same terminology is now used in France that was current in Germany during the inflation period. Everybody speaks of the "rising" and "falling" £ and Dollar, not of the falling and rising Franc. And just as in Germany, when by means of Government intervention a temporary and considerable improvement in the Mark was achieved, they spoke of a "sharp fall" of the dollar (sometimes even of a "catastrophic fall"), so the French Press now announces that the "£ and the Dollar have recently lost 15 per cent. of their value." In another connection we have already pointed out that although the continued fall of the franc is due to causes other than those which brought about the inflation period in Germany, the actual processes are dangerously alike. It is really tragic that France has not profited by the German lesson.

On March 21, in the Smetana Hall of the Communal House at Prague, was held the constituent General Meeting of the newly created National Bank of Czechoslovakia. In the presence of 2,498 shareholders and a most distinguished gathering, Dr. William Pospisil was installed as Governor of the Bank. In the course of his inaugural speech Dr. Karel Englis, the Minister of Finance, paid a fitting tribute to the effort which had culminated in the establishment of the Bank, and he also used the occasion to deliver himself of some sound economic advice. His whole speech is well worth perusal. The following passages we select from a translation just received :—

"I pass into your charge the most precious national jewel we possess, our Czechoslovak Crown, a jewel which is composed neither of gold nor of silver, but of *work*. It represents a certain fraction of our national production, a certain miniature standard of life, a portion of production and work. This conception is alive in the minds of millions of workers, who expect for their work a certain consumption measured by crowns, and of millions of sellers and buyers who weigh the value of exchangeable goods according to price. The value is in the minds of those who buy the Czechoslovak Crown for dollars, pounds, and francs. . . . On the stability of the price level, and on that of the standard of living, the *stability of our unit of currency* is based, as also its purchasing power—the first and main quality of every sound currency. Woe, if this unit sinks. The difference of time between work and purchase reduces wages as the currency falls. The difference of time between the sale and purchase reduces the price to the seller, postpones the relation between creditor and debtor, devaluates and undermines savings, which express in figures our future progress in production. Just as for the engineer while at his work the technical units on which he builds his structure must not be changed, if it is not to collapse, so

national economy must have a firm and stable unit for its prosperity. When we remember how the price-level and the intrinsic value of money develop, we must realise that this is no easy task."

In November last the Central Committee of the Communist Party in Russia announced the impending reform of foreign trade. The definite plan of this reform has now been made public and the main point of it is that about a dozen joint stock companies are to be formed for the purpose of importing machinery and raw materials from abroad. The statutes of these companies, however, must be such that the principle of foreign trade monopoly is strictly maintained, and the Soviet trade delegations in various countries must form special departments corresponding to each of the newly created companies. All transactions on foreign markets will be concentrated in the hands of the trade delegation while the companies will have the right to deal not only in the particular goods which are their speciality, but can book orders for anything upon a commission basis. We cannot help thinking that this new method will hardly help to improve Russia's foreign trade. It will merely render an already hopelessly bureaucratic and inefficient organisation even more bureaucratic and more inefficient. And it is curiously in contradiction with the recent Soviet "economy" campaign. As every sensible person in and out of Russia perfectly well knows, there is but one way to improve that unfortunate country's foreign trade, and that is by the complete and unreserved abolition of the foreign trade monopoly. Until that has been done all the efforts of the Soviets will remain absolutely futile.

The Government of India, through the Department of Industries and Labour, published recently a Bulletin containing the statistics of Industrial Disputes in British India for the year 1925. These statistics show that the total number of disputes reported amounted to 134, as against 133 in 1924. The number of workers involved in these disputes was 270,423, as against 312,462 in the preceding year, and the number of working days lost was 12,578,129, as against 8,730,918. Out of a total of 134 disputes in the whole of British India 69 occurred in the Bombay Presidency. This large figure is due to the general strike in the cotton mills in Bombay City, over the question of a reduction in wages. This dispute lasted for three months and was alone responsible for a loss of more than ten million working days. Almost half of all the Industrial Disputes in British India during the year 1925 arose over the question of pay. Troubles over "personnel" accounted for 35 of the total number of disputes. In the latter, disputes over demands for dismissal and reinstatement are included. Such disputes are very common in Indian industrial concerns and are believed to be without parallel, so far as numbers are concerned, in any other part of the world. A noteworthy feature regarding Industrial Disputes in India during the year 1925 is that no disputes were reported on the question of leave and hours of labour. It is of interest to note that only 17, or about 13 per cent., of the disputes resulted entirely in favour of the employees. Twenty-seven, or about 20 per cent., were partially successful. One dispute was still in progress at the end of the year. The remaining 89, or 66 per cent. of the total number of disputes, were absolutely unsuccessful. In the cotton mills, 9 successful disputes were registered, 14 as partially successful and 45 as failures.

SPECIAL ARTICLES

REVOLUTION IN GERMANY'S IRON ORE SUPPLY.

Whoever has travelled through Sweden and Lapland will know that Scandinavia's natural wealth consists of her enormous provisions of timber and her extensive iron mines. The production of iron ore is of capital importance to the economic life of Sweden. Seeing that Germany is quite unable to meet her requirements of iron ore from her own resources and that Sweden has become her chief supplier, it will readily be understood that German heavy industry is deeply interested in the development of Sweden's iron ore output. The steady growth in Germany's imports of iron from Scandinavia is due to the Treaty of Versailles, which subverted the whole system of the great iron industry of Central Europe. Under this treaty Germany, with a population of 64 millions largely dependent for her industrial development on her supply of iron ore, has lost no less than 74.3 per cent. of her resources, having now only within her own confines 7 per cent. of the total European supply of iron ore.

Whereas the German iron ore supply has fallen to 0.7 milliard tons, France is now producing 5.3 milliard tons, or more than half of the Old World's output, and as a result has become one of the greatest iron-producing countries in the world. By detaching important iron ore districts from Germany without considering the old relations existing between coal and iron, the Treaty of Versailles placed the German iron industry in considerable jeopardy. While France was given important iron ore districts, the coal remained in German hands. The old inter-relations between Ruhr coal and Minette iron ore have thus been upset. Germany therefore was compelled to seek compensation for her lost iron ore resources, and naturally enough turned to Sweden, the quality of whose ore is best adapted to the German industry. As a consequence the imports of Swedish iron ore into Germany increased to the disadvantage of her former suppliers, France, Luxemburg and Spain. According to the statistics published by Dr. Burmester in the *Ostsee-Rundschau*, p. 176, Germany's imports of iron ore from France declined from 33 per cent. in 1913 to 20 per cent. in 1920, to 5.6 per cent. in 1923, and to 1.4 per cent. in the first nine months of 1924. Spanish imports, which formerly were the second highest (next to Swedish), fell from 24 per cent. in 1913 to 6.2 per cent. in 1924. On the other hand, the imports of iron ore from Sweden rose from 32 per cent. in 1913 to 46.1 per cent. in 1920, to 50 per cent. in 1922, to 56.6 per cent. in 1923, and to 80.4 per cent. in 1924. Thus four-fifths of the German iron ore supply is covered by Swedish imports. This enormous increase of the imports from Sweden began with the occupation of the Ruhr by France in 1923. In consequence of this occupation all the Rhine Westphalian ironworks annulled their contracts with the mines of Lorraine and entered into new contracts with the Swedish mines on the basis of firm prices until 1932. This preponderance of Swedish iron ores in the German market is the more significant as

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under normal conditions Germany would have preferred buying from Lorraine, in view of the lower freight costs. In the meantime, however, the German iron industry has come to realise that the Swedish ore is preferable, as, owing to its greater iron content, the consumption of coal is smaller. Heretofore Sweden exported mainly phosphoric ores, as in keeping with a special agreement with the Government the more valuable ores, containing little phosphorus, the so-called A-Malm (69 per cent. iron, 0.025 per cent. phosphorus), were not admitted to export, but were reserved for the home industry. According to M. Kurt Kornicker, of Stockholm, this policy has been changed within the last few years. Extensive drilling at Kirunavara has established the fact that the content of phosphorus decreases with the depth, thus opening up new prospects for Swedish export. It will be of interest, therefore, to compare the leading kinds of iron ore on the world market with respect to their content of phosphorus and iron :—

	Iron. Per cent.	Phosphorus. Per cent.
Swedish Kiruna A-Malm	69	0.025
Swedish Kiruna D-Malm	61	1.710
French Minette	35	0.7
French Normandy-Malm	48	0.7
Spanish Rubio-Malm	52	0.02
North-African Malm	53	0.01
Wabana-Malm	54	0.08
Lake Superior-Malm, U.S.A. ...	55	0.07

This table shows that the Swedish A-Malms combine a high percentage of iron with a low percentage of phosphorus. They are of excellent quality and therefore of great importance for the future of the German iron industry.

The leading geologists are not in agreement as to the extent of Sweden's iron ore resources. M. Karl Damgren, in the "Deutsch-Nordischen Jahrbuch für 1924," estimates them at two milliard tons. At the present rate of output, therefore, the Swedish mines would not be exhausted for the next four hundred years. The deposits are situated mainly in two separate districts—the Bergslagen in middle Sweden, with over a hundred small mines of magnetite, containing little phosphorus, and the ore fields of Norrland. The ores of the latter, worked near the mines, are delivered in the form of charcoal pig iron, for which the Swedish industry has long been famous. The middle Sweden ores near Grängesberg, on the other hand, contain a high percentage of phosphorus, but since the introduction of the basic Bessemer process this does not materially affect the results. Magnetite of a high quality, containing 60 to 70 per cent. iron, is found near Gellivara, in Norrland. Since the completion of the railway to Lulea the output here has become very important. Near Kirunavara is one of the largest mines, with a length of over 50 kilometres. The iron content is about 60 per cent. While these ores contain a considerable amount of phosphorus, the percentage at Tuollovara is much less. The ore from the last two districts is shipped from the Norwegian port of Narvik, Scandinavia's chief iron export centre; for whereas the ports on the Bothnic Gulf are regularly ice-bound for several months, navigation at Narvik is free for nearly the whole of the year. N. P.

ECONOMIC SURVEY

(The following Survey is strictly impartial both in content and in selection, and is in no way subject to the influence of Editorial opinion.)

CZECHOSLOVAKIA

FINANCE

Official Statement on the Note Circulation.—Dr. K. Englis, Minister of Finance, has published an important statement concerning the note circulation in Czechoslovakia. From the detailed reports in the Czechoslovak Press we have made the following excerpts of the main features of this statement.

The aggregate fiduciary circulation at the moment of the establishment of the Czechoslovak Republic amounted to the sum of C.Kr.10,099,538,000, this total including the value of notes in circulation within Czechoslovak territory, which figured at C.Kr.8,015.12 mill., and the outstanding Treasury bills and cheque accounts, which together amounted to some C.Kr. 2,084.4 mill. The Bank Office of the Ministry of Finance was empowered to act as a bank of issue and accordingly took over the control of the note circulation, which became a State note debt, the bank-notes being converted into State notes. It was necessary to separate the Czechoslovak currency from the Austro-Hungarian notes that were still in circulation. This was a difficult task on account of the inflation across the border, which resulted in a great discrepancy in the level of prices and the rates of exchange both at home and abroad. The difficulty was surmounted by specially stamping the notes of the Austro-Hungarian Bank in circulation on Czechoslovak territory, thus converting them into Czechoslovak State notes. The specie circulation offered no particular difficulty since there were no gold or silver coins in circulation. The first coinage of small money took place in the year 1922. In regard to the regulation of the currency from the economic-financial point of view an intensive administration was at the outset impossible, owing to the unusual surplus of money in the country resulting from the Austro-Hungarian inflation policy. In the month of July 1914 the total of the Austro-Hungarian bank-note circulation was about 2,300 mill. kronen, of which amount the notes in circulation in what is now Czechoslovakia probably represented a total of 800 millions. The circulation at the time of the establishment of the Republic was therefore about ten times that of the moment immediately preceding the war, while the exchange value of the krone in the foreign markets had dropped to about one-fourth of its pre-war value. It became necessary to absorb a portion of this circulation, with the result that a stringency was produced in the money market. Holders of bank-notes in circulation were obliged to present all the notes for stamping, of which half were returned converted into Czechoslovak kronen. The State retained the other half as a non-negotiable and non-hypothecary loan at 1 per cent. interest. A similar policy was adopted in respect to the circulation represented by the cheque accounts and the Treasury bills. This measure was not applied to the stocks in the public treasuries, so that the circulation was not actually contracted to one-half. In fact, the total of notes of the Austro-Hungarian Bank in circulation at the time of stamping amounted to C.Kr. 8,015.12 mill., while notes to the value of C.Kr.2,134.3 mill. were retained by the State. There resulted a total circulation of C.Kr.5,880.76 mill. Similarly one-half of the cheque accounts (private property) was withheld, the value of these being C.Kr.413.6 mill., while one-half of the Treasury bills accounted for a further C.Kr.233.7 mill. The indirect State note circulation thus amounted to C.Kr.1,437.07 mill., which, added to the direct circulation, totalled C.Kr.7,317.8 mill. The obligations of the Austro-Hungarian Bank transferred to the State amounted to C.Kr.10,099.5 mill., of which C.Kr.7,317.8 mill., as mentioned above, remained as circulation, while C.Kr.2,781.7 were converted into a non-liquid State debt.

The law of April 10, 1919, provided that the total circulation of uncovered notes should not exceed the sum of C.Kr.7,317.8 mill., that is, the amount of the circulation transferred from former Austria. Any excess of this amount in notes had to be fully covered. This legal restriction of the circulation was also the point of ending the currency inflation. The State note debt is composed of two classes, the liquid and the non-liquid circulation, the latter being represented by the 1 per cent. State vouchers issued in return for the retention of one-half of the old notes at the time of stamping and which may be used for payment of the capital levy and certain other impositions.

The special receipts of the Bank Office have been applied towards a State note amortisation fund, which on August 7 last amounted to C.Kr.401.7 mill. This sum must be deducted from the liquid State note debt and the contingent of uncovered circulation, leaving a balance of C.Kr.6,916.1 mill. The bank cover amounts to about C.Kr.2,756, so that the total of the legal maximum limit of circulation is C.Kr.9,672.7 mill. The actual circulation on August 7 last was C.Kr.7,337.1 mill., thus well under the limit.

The following table published by the *Central European Observer* of April 23 shows the amount of State notes that could be issued in accordance with the Act of April 10, 1919 (in Czechoslovak kronen) :—

1. To replace the withdrawn notes of the Austro-Hungarian Bank ...	8,015,119,793.40	
Less notes withheld on stamping	2,134,354,326.67	
Total notes stamped and exchanged		5,880,765,466.73
2. Cheque accounts in the State treasuries of the Austro-Hungarian Bank taken over	789,720,443.36	
Of total cheque accounts 1,616,884,521.82 less above 789,720,443.36		
Half of 827,164,078.46 together with half of withheld Treasury bills 467,534,000.—	413,582,039.23 / 233,767,000.—	
		1,437,069,482.59
3. Bank cover		2,756,616,598.45
		10,074,451,547.77
Less amount of State note amortization fund ...	401,696,999.36	
Less cheque accounts (immediately payable) ...	671,661,749.95	
		1,073,358,749.31
Legal maximum of circulation, Aug. 7, 1925 ...		9,001,092,798.46
Actual circulation		7,337,164,137.60
Circulation on Aug. 7, 1925, was thus under the legal maximum by		1,663,928,660.86

The enactment of 1925 relating to the establishment of the Bank of Issue changed the provisions regarding cover and altered the limit for the issue of notes by the future National Bank. Hitherto the rule applied that every issue must have bank cover over and above the non-liquid State note debt, the term "bank cover" indicating the metallic reserves, foreign balances and currency, loans on securities and discounted securities. There was no special provision for metal cover, which simply formed part of the bank cover. The National Bank Act, however, provides for metal cover. All circulating medium will become a debt of the National Bank. But the provision respecting metal cover only applies to bank-notes that do not represent uncovered State note debt. The amount of cover laid down by law is 20 per cent. of the entire circulation after deducting the State note debt.

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The Bank return of August 7, 1925, showed the following figures (in Czechoslovak kronen) :—

Note circulation	7,337,164,000
Cheque accounts	671,662,000
Total circulation	8,008,826,000
State note debt	5,308,873,000
Basis for metal reserve	2,699,953,000
Legal 20 per cent. metal reserve	539,990,000
Actual reserves—	
Metal	1,030,961,000
Foreign balances	639,485,000
Total reserves	1,660,446,000

The actual metal and other reserves were thus more than three times as large as prescribed by law, while the metal cover was almost double the amount of the legal minimum. Foreign balances, currency, specie and assets abroad immediately realisable are included in the metal reserves only in so far as they do not exceed the minimum of metal reserve, while above that they are included in the commercial (bank) cover. Of the actual metal cover three-fourths must be of gold. The metal reserve is fixed at 20 per cent. for the first year only, after which it will be raised annually by 1 per cent., so that by the time that the charter of the National Bank expires, i.e. in 15 years from January 1, 1926, the reserve will reach the 35 per cent. laid down by law. Should the cover fall below the limit fixed by law the National Bank will pay a progressive tax on the difference between the actual circulation and the legal maximum. The tax will be the same as the official discount rate plus 1 per cent. if the difference between the actual circulation and the legal maximum is not more than 2 per cent., and for every further 2 per cent. increase in this difference the tax will be raised by a further 1½ per cent. In no case is the tax to be under 5 per cent.

In conclusion, the report in the *Central European Observer* refers to the fate of the capital levy imposed by the enactment of 1920. The object of the levy was to raise funds to amortise the State note debt, but it was first applied to redeem the non-liquid State note debt represented by the 1 per cent. vouchers referred to above. The finance authorities refunded the amounts of the vouchers to persons of small means and the rest were used by their holders for paying their capital levy assessment. They have now been practically all liquidated. After meeting the non-liquid State note debt the capital levy proceeds were to be applied to enabling the uncovered note circulation to be gradually withdrawn. The capital levy was likewise intended to secure a continued gradual deflation. In 1922, however, the exchange value of the Czechoslovak krone appreciated sharply and this brought about a sudden deflation of all economic figures (prices, profits and income.) The resultant crisis showed that it would no longer be possible to continue further on the path of deflation. The enactment of 1925 relating to the National Bank laid down the legal principles for a stabilisation of the currency, a stabilisation which had already been practically realised from 1923 onwards. This, of course, necessitated a change in the purpose for which the capital levy was imposed, that is, after the amortisation of the non-liquid State note debt, the withdrawal of uncovered State notes. The problem has changed. It is no longer a matter of reducing the circulation by main force but of securing out of the proceeds of the capital levy a metal and other backing for the uncovered State notes. It should not, of course, be forgotten that even now, with a low monetary unit, the paper circulation is high compared with the pre-war level. It is about eight or nine times as high, which corresponds, it is true, with the increase in the level of prices, but the need for circulation rises not with prices but with increased income figures. According to the level of prices and the exchange value of the currency abroad the amount of note circulation in Czechoslovakia ought to be six or seven times more than it is (less is purchased but at

higher prices). The existing need for increased medium of payment is explained by the worse methods of payment now in vogue. Payment is made in cash much more frequently than before. With an improvement in these methods the need of more medium will decline, and it will be for the National Bank to decide whether the future proceeds of the capital levy shall be applied to withdrawing bank-notes from circulation or to the acquisition of cover for them. A further radical restriction of the amount of circulation is at the present moment out of the question.

Under the terms of the enactment relating to the National Bank the State may in the meantime, until the State note debt falls below 5,000 millions, apply two-thirds (the remaining third goes to the Bank) of the proceeds of the capital levy to cover the State short-term debt which is in the form of bonds discountable at the Bank Office and therefore a menace to the circulation. But this two-thirds is merely a loan free of interest, and the finance authorities must refund this portion of the capital levy by means of annual instalments equal to the amount saved on all the bonds that have been redeemed by it. The capital levy has thus, finally, to provide cover for the State notes that to-day lack cover, in this way strengthening the relation of cover to circulation, and it will be possible substantially to increase the minimum of metal cover required by law.

INDUSTRY

The Woollen Industry in Moravia in 1925.—The Association of Wool Industrialists in Moravia has issued its annual report for 1925, from which we quote the following. Forty-seven members of the Association, employing normally 18,000 hands, worked full time all the year round with 15,000 to 16,000 hands. The majority of the factories were working up to 60 or 70 per cent. of their capacity, only a few firms being fully employed. In spite of the big drop in the prices of wool those for merinos were still 50 to 80 per cent. higher than before the war, fine cross-breeds 35 per cent. and medium and coarse cross-breeds 20 per cent. dearer than in 1914. The Succession States are the most important market for Czechoslovak woollen goods, as is shown by the fact that they took in the first eleven months of the year 68 per cent. of the total exports, or about C.Kr.1,000 mill. worth. Austria's purchases in this period were C.Kr.347 mill., as compared with C.Kr.420 mill. in 1924. Exports to Hungary fell from 128 to 126 mill. kronen, to Rumania from 79 to 65 mill. and to Poland from 17 to 15 millions. Yugo-Slavia alone registered a rise from 98 to 121 million kronen. The decline in exports to the Succession States has prompted the industry to make every possible effort to gain a footing in other foreign countries, particularly overseas. French competition, however, is very strong in ladies' materials, while Italy, which has considerably enlarged her woollen manufacture during the war, is able to produce cheaper than any of her competitors, owing to lower taxation and other benefits. In these circumstances the industry is forced to modernise the factories and mills. This has already been done to a considerable extent in the dyeing, finishing and preparing establishments, as well as in the doubling mills, during the last few years, and in 1925 a beginning was made by the weavers, about 75 new cloth looms having been installed. In reviewing the position of the local industry in relation to various foreign markets the report draws attention to the possible imposition of a Customs duty in England under the safeguarding of Industries Act. This would lead the local woollen industry to take up a definite standpoint with regard to its own protection by an increase in the tariff on woollen imports. South Africa, Canada and Australia are still differentiating between the imports of woollen products from various countries, which leaves Czechoslovakia in an unfavourable position. (*Czechoslovak Market.*)

Coal Output and Company Operations.—The total output of the Ostrau-Karwin coal mines in March amounted to 778,370 tons, or an increase of 39,015 tons on the February output. The production of coke amounted to 178,386 tons, representing an increase of 18,700 tons on the February figure. The manufacture of briquettes rose from 9,780 tons in February to 10,150 tons in March. At the end of March the coal stocks amounted in all to 125,974 tons, as against 107,626 tons at the end of February, whilst the coke stocks rose from 171,444 tons at the end of February to 180,769 tons at the end of March. During the month of March the Ostrau-Karwin mines employed 38,304 hands. (*Mitteleuropäische Wirtschaft, Neue Freie Presse,* April 17.)

According to the *Prager Presse* of April 16 two important coal mining companies of Bohemia have increased their capital. The Brüx Coal Mining Company has decided to raise its capital from C.Kr.40 mill. to C.Kr.120 mill., either in one operation or in successive stages. Despite the adverse working conditions during the past year this company realised a net profit of C.Kr.6 mill. and was able to distribute a dividend of C.Kr.60.

The board of the North Bohemian Coal Mining Company has likewise been empowered to increase its capital either in one operation or in successive stages, from C.Kr.20 mill. to C.Kr.120 mill. The net profit of this company last year amounted to C.Kr.4.8 mill. and a dividend of C.Kr.88 was distributed.

AGRICULTURE

The Advance of Agriculture.—The official Czechoslovak crop returns for 1925, which were published in The Economic Review of April 23, are subject to a close examination in the *Central European Observer* of April 9 and 16 last, the main points of which we have summarised.

The statistics, it is stated, show that last year was particularly favourable as regards crops, and they fully justify the conclusion that Czechoslovak agriculture has at last succeeded in overcoming all the disastrous effects which the war and the critical post-war conditions had upon agricultural production, and that the crop yield has recovered its normal pre-war level and in some cases even exceeded it. Czechoslovak agriculture suffered during the war in the same manner as did that of other countries involved in that struggle. Systematic requisitions reduced the supplies of live stock and simultaneously the quantity of manure necessary for the land; the loss of human life reduced the numbers of those working on the land, so that the soil was inadequately tilled; the import of raw materials from abroad was cut off, so that the use of artificial fertilisers dropped to a minimum; Government control of all trade in agricultural products made it impossible for farmers to calculate returns; and, finally, the decline in the income or profits of those engaged in agriculture resulted in a diminution of farm inventories—machinery and implements—which in its turn caused a decline in tillage. In the course of the past few years, however, all these consequences of the war have been practically made good. The supplies of live stock have been recuperated, so that in many districts the numbers exceed the pre-war level; the resumption of normal trade with abroad has enabled large quantities of artificial manure to be imported into the country, with the result that more is now being used than before the war; the land is again adequately supplied with workers, the rising generation having filled up the breaches made by the war, while the Land Reform has kept on the land a large proportion of the country population that would otherwise have sought a living in the towns and industrial centres. Trade in agricultural products has been completely decontrolled, so that prices at home are able to move in normal accord with those prevailing on the world's markets. The result of this return to normal conditions of production is that the country's agricultural yield has again become normal.

The development is best reflected in the increase in the average yield per hectare of area sown (for the figures for 1924 and 1925 see The Economic Review, April 23). In nearly every instance the average yield per hectare of the respective crops was greater in 1925 than in 1912–13 and 1920, the most notable increases being in the potato crop, which rose from 97.8 quintals per hectare in 1912–13 to 118.2 quintals per hectare in 1925, and in the sugar beet crop, which rose from 269.9 quintals to 295.2 quintals per hectare. The advance as against the most critical of the post-war years, 1920, is in several cases as much as 50 per cent., and in the case of rye even 90 per cent. The yield of the 1925 crops is, moreover, in excess of that of the last pre-war year, 1912–13, especially in wheat, rye, potatoes and sugar beet.

As regards the area of the individual crops under cultivation, the statistics for the past six years show that considerable changes have occurred. The area devoted to grain for bread (rye and wheat) has diminished, while that, on the other hand, devoted to the production of fodder and industrial grain (oats, maize, barley) and to hacked crops (potatoes and sugar beet) has increased. The decline in the first case is connected partly with the return of normal conditions of food supply including the possibility of importing grain from abroad, and partly with the fact that import duties on corn for domestic consumption in Czechoslovakia are relatively lower than before the war, so that the growing of rye no longer pays as well as it did. This applies also to wheat. A considerable decline has likewise taken place in the area under clover. An increase in the area of permanent fodder crops in the years immediately following the war was caused partly by a lack of labour, and partly by the desire of the farmers to restore live stock to its normal numbers by growing more fodder. In subsequent years, when this was no longer necessary, the area of seeded crop was reduced, to make way for others of a more intensive kind. The area under barley, oats and maize has increased. This applies particularly to brewers' barley, the demand for which was restored as a return to normal beer consumption became possible. The increase in oats marks a return to normal conditions. During the war and in the years immediately following it there was a shortage of rye and wheat, and, especially in the mountain districts; large areas that had formerly grown oats were used for wheat and rye. These have now returned to their original use. An increased area is now devoted to hacked crops, especially sugar beet, which plays a most important role in Czechoslovak agriculture and also in the country's export trade in the form of sugar. This increase, between 1920 and 1925, has been one of nearly 100,000 hectares (245,000 acres) or about 50 per cent.

The main motives for the change in the amount of area devoted to the individual crops may thus be regarded as two: first, the desire to get rid of the temporary changes caused by the exceptional conditions resulting from the war, and secondly the desire to adopt a more intensive cultivation with its greater yield. The latter motive is particularly reflected in the reduction of the area devoted to rye and the increase in area devoted to sugar beet.

The statistics of the total yield of the more important individual crops during the past six years show that there has been an increase in every instance, the most pronounced being in sugar beet, in which both the average yield as well as the area under cultivation (50 per cent.) are considerably augmented. The increase in yield as against the year 1920-21 is here about 100 per cent. In cereals the increase of yield is 50 per cent. to 60 per cent., though in this case it should be borne in mind that during the years immediately following the war grain was State-controlled and, owing to the disinclination of the farmers to render exact returns of their crops to the authorities, the official figures for those years are probably less than the actual yield. The year 1925 constitutes a record not only for cereals generally, but also for those exclusively used for human consumption. The yield of potatoes shows a steady rise, apart from the year 1922, which owing to favourable weather and an increased area under cultivation produced a record crop. There is also a rising tendency in grass crops, despite a diminution in the area devoted to clover.

A specially interesting feature in Czechoslovak agriculture is the effect of the Land Reform. Although the reform is practically completed in the western parts of the country no special change is observable as a result of the reform, in the areas under cultivation. To the reform may, however, be attributed the increase in the total of live stock and to a certain extent the increased area devoted to hacked crops as well as their higher average yield. This result was expected and proves that land reform is contributing towards a further intensification of Czechoslovak agriculture and towards supporting an increased proportion of the population.

COMMUNICATIONS

Railway Returns for 1925.—The Ministry of Railways has just issued a statement of the railway returns for the year 1925. According to the statistics the number of passengers conveyed by the railways last year was 255,375,230, which represents an increase of about 14.3 million persons or 5.95 per cent. in the total passenger traffic for the year. The total receipts from passengers' tickets and from the transport of passengers' luggage amounted to C.Kr.862 mill., an increase of C.Kr.55.9 mill. on the receipts from the same source in 1924. The goods traffic attained the figure of 72.5 mill. tons, an improvement of 2.9 mill. tons or 4.25 per cent. on the 1924 returns. There was an increase in all categories of goods transported, particularly in sugar beet and sugar. These main increases accounted for an additional 337,227 tons of beet, 660,210 tons of sliced beet and 430,165 tons of sugar. Considerable increases were also registered in the transport of artificial manures, lime and chalk, porcelain earth, sand, cereals, tiles and bricks, ores, iron, and timber. The transport of coal, on the contrary, fell off to a marked degree, there being a drop of about 1.7 mill. tons as compared with the preceding year. The total receipts from the goods traffic amounted to C.Kr.3,167 mill. in 1925, being thus C.Kr.117 mill. or 3.85 per cent. higher than in 1924. The total receipts of the State railways from all sources attained the figure of C.Kr.4,030 mill., this sum representing an increase of C.Kr.173 mill. on the total receipts in 1924. (*Mitteleuropäische Wirtschaft, Neue Freie Presse*, April 24.)

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FINLAND

POLITICAL AND GENERAL

General Economic Conditions.—Finland's favourable economic progress has been maintained during the past few months, and any symptoms which might have suggested a turn for the worse should be considered as mere seasonal appearances which in no way justify a pessimistic verdict on the economic situation as a whole. The chief of these unfavourable symptoms, the tension on the money market is a regular spring phenomenon occasioned by the heavy demand for credit from forestry and industry at this particular time of year. During February the central banks' total domestic discounts and loans increased by F.Mk.90 million, while the note issue rose by F.Mk.60 million. It was thus clear that the demand for credit was greater than the capacity of the Joint Stock Banks. The work of timber-getting absorbs large quantities of credit and the demand for bank loans had been increased by numerous building operations. When in spite of these conditions we learn that re-discounting has not exceeded F.Mk.76 million as compared with F.Mk.226 million last year, it may be assumed that the banks have been able to meet the current demand for money without overstrain. Business on the Stock Exchange is very active. After a period of depression extending over several years the turn of the tide has set in. The total volume of business rose from F.Mk.119 million in 1924 to F.Mk.145 million in 1925, of which F.Mk.125 million represented shares and the remainder bonds. Banking securities have been somewhat crowded out of the market by industrials, industrial shares representing 44 per cent. of the chiffre d'affaires this year as compared with 30 per cent. in 1924. The shares of the large firms were naturally most prominent, in particular the big banks and the Finske Socker and Kymmene Companies.

One contributory cause of the keen demand for credit was the fact that the due date for the second instalment of the 1924 taxes fell in February. This also accounts for the increase of the Government's balance with the Bank of Finland from F.Mk.442 million to F.Mk.445 million. During the next six months tax-payers, at least those resident in the metropolis, will have practically no taxes to pay, so that there is likely to be more money available for other purposes.

Owing to the severe winter there was a great decrease in shipping in and out of Finnish ports as compared with February of last year when mild weather prevailed. Only 64 vessels with a total burden of 44,178 tons entered while 71 vessels representing 51,623 tons left as compared with 141 vessels (77,025 tons) entering and 139 vessels (77,677 tons) leaving in February 1925.

Both imports and exports were smaller than in February of last year. The following table shows the development of the balance of trade (in millions of marks, imports c.i.f. and imports f.o.b.):—

	Imports.	Exports.	Surplus of imports.
February 1926	272.5	181.3	— 91.2
February 1925	285.0	221.4	— 63.6
Jan.-Feb. 1926	559.7	378.3	— 181.4
Jan.-Feb. 1925	606.3	461.9	— 144.4

This development is undoubtedly due to unfavourable ice conditions, which inevitably retard foreign trade. As in previous years a considerable increase will no doubt occur in exports during the next few months, as all branches of industry, including timber, report brisk business and sales at good prices. Business prospects are uniformly favourable and nothing but optimism is to be met with at present in the business world. (*Mercator*, No. 12; *Wirtschaftsdienst*, April 23.)

FINANCE

Banking Reports for 1925.—The 1925 banking reports reflect the prevailing optimistic outlook in regard to Finland's economic situation. In the general remarks on economic conditions it is asserted in these reports that Finland had weathered the critical period of the past few years, and that thanks to the last two good harvests and increased exports, a considerable tendency for the better had set in which has greatly facilitated the work of the individual banks. Even the Unionbank, which was hit hardest of all by the recent crisis, now reports restored favourable conditions in consequence of this economic development. The Nordiska Foreningsbank announces in its annual report that it has been possible to liquidate, with some foreign aid, a large number of the credits granted to Finnish industry which have hitherto greatly impeded banking activities. Whereas at the end of 1924 the rediscounts of the Nordiska Foreningsbank amounted to F.Mk.89.7 million, the loan surplus to F.Mk.627 million and cash in hand to only F.Mk.59 million, according to the annual report for 1925 the loan surplus has dropped to F.Mk.323 million, cash in hand has increased to F.Mk.94, while rediscounts have disappeared entirely. Within the deposit column long term deposits have increased and short term deposits have correspondingly decreased. Gross profits dropped slightly from F.Mk.128 million to F.Mk.123 million, so that the bank was able to declare a dividend of 18 per cent. as in the three previous years.

The annual report of the Kansallis Osake Pankki testifies to the same favourable development with the sole difference that the improvement with this bank had already begun in 1924. The figures of the balance-sheet show plainly that the activities of the bank were carried on smoothly and that the consolidation begun in 1924 had been maintained. Deposits had dropped slightly as compared with 1924 from F.Mk.1,676 million to F.Mk.1,669 million, while credits rose from F.Mk.1,884 million to F.Mk.1,887 million. As in 1924 no rediscounted bills figured in the balance-sheet. Cash in hand rose from F.Mk.78 million to F.Mk.85 million and gross profits from F.Mk.86 million to F.Mk.87 million, while the year's net profits increased from F.Mk.33 million to F.Mk.34 million. This bank also was again able to declare an 18 per cent. dividend. The shareholders of the Unionbank on the other hand had to content themselves with a dividend of 9 per cent. Since the reconstruction undertaken in 1924, 1925 was the first financial year in which it was possible to work without hindrance from oppressive engagements. The reconstruction of the bank has been greatly facilitated by the good general economic conditions, and it stands to-day entirely on its own feet. The volume of deposits increased from F.Mk.330 million to F.Mk.334 million and credits decreased from F.Mk.565 million to F.Mk.523 million. Gross profits rose from F.Mk.18 million to F.Mk.33 million and net profits from F.Mk.5 million, to F.Mk.10 million, although taxes remained to be paid from the previous year to the value of F.Mk.4.4 million and writing off to the value of F.Mk.2.2 million was considered necessary. The fact that the Unionbank has been able to present such a favourable annual report after passing through so severe a crisis is the best possible proof that healthy and normal economic conditions now prevail in Finland. (*Wirtschaftsdienst*, April 23.)

INDUSTRY

Industrial Balance-sheets.—A good general review of the course of business during the past year can be obtained by the examination of the balance-sheets which are issued by most industrial firms at this season. Though on the whole these balance-sheets are satisfactory there are still, in most of the industries, firms which are unable to pay adequate dividends.

Among exporting industries sawing has had to contend with unsatisfactory prices, but paper, cardboard and mechanical pulpmaking have done well, while the chemical pulp and plywood industries have been booming. Many exporting companies now combine sawing and woodworking in order to counterbalance the poor returns from sawn timber by the large profits made on chemical pulp and other wood products. One of the

most successful concerns adopting this method is the Gutzeit Company, in which the Finnish Government holds 85 per cent. of the capital of F.Mk.162 million, while 12 per cent. of the shares remain in Norwegian hands. Whereas in 1924 this firm made a loss of F.Mk.9 million, last year a profit of F.Mk.12.2 million was achieved and a 5 per cent. dividend has been declared. The concern consists of three separate companies in each of which a considerable increase in output was obtained during 1925, as shown in the following table :—

	1924.	1925.
The Gutzeit Company ...		
Sawn timber, standards	65,239	75,003
Sulphate pulp, tons	17,875	21,550
The Enso Company.		
Sulphite pulp, tons	37,783	42,948
Cardboard and paper, tons	17,458	19,453
Sawn timber, standards	3,008	5,587
The Pankakoski Company.		
Sawn timber, standards	3,327	3,893
Cardboard and pulp, tons	19,112	20,030
Total of export units	163,822	188,464

The invoice values, free of port of export, were as follows (in millions of F.Mk.) :—

	1924.	1925.
The Gutzeit Company	215.3	208.8
The Enso Company	105.8	142.8
The Pankakoski Company	31.7	39.8
Total	352.8	391.4

Government support in the form of augmented capital and amortisation loans has enabled this concern to consolidate its position, which now appears quite solvent. For the State, however, this affair has not been advantageous, as heavy agio losses have been incurred in connection with the Norwegian Debenture Loan raised by the Government in 1918 in order to purchase the controlling interest.

The Kemi Company is another firm combining sawing with the manufacture of chemical pulp. Its report for 1925 shows satisfactory progress, though the net profit only amounts to F.Mk.5.4 million against F.Mk.59 million in 1924. A balance of F.Mk.5.1 million of unallotted profit remains over from 1924, so that with F.Mk.10.5 million at its disposal the Board of Directors recommends the distribution of a 12 per cent. dividend as compared with 6 per cent. in the previous year. The small gross profit on wood goods, which is little more than half what it was in 1924, is counterbalanced by a doubled profit on chemical pulp, though the output only rose from 24,700 tons in 1924 to 28,400 tons in 1925. Another company in this category is the Kajana Wood Company, which is paying a dividend of 15 per cent. as compared with 12 per cent. in 1924. On the other hand, purely sawing companies have not succeeded so well. The great Ulea Company, which owns enormous tracts of forest in the north of Finland, has made a big loss, and the Sörnäs Company is paying no dividend.

It is now thought that sawing has ceased to pay unless combined with some wood working industry, and there is therefore a tendency to establish new chemical and mechanical pulp mills. In addition to new construction and extensions decided upon last year, some new projects have been recently announced. The Kemi company intends to increase the output of its sulphite pulp mill from 30,000 to 38,000 tons per annum, and has resolved to build a sulphate mill with capacity to produce 18,000 to 20,000 tons. The Electro-Metallurgical Company has decided to build a mechanical pulp mill at Vuoksenniska with a capacity for output of 7,000 tons, dryweight to be increased to 12,000 tons. This firm is mainly engaged in pig iron production, and will run the mechanical pulp venture under a separate Company entitled the Vuoksenniska Co., Ltd., with a capital of F.Mk.6 million, already fully subscribed.

The big paper mills on the whole have had a satisfactory year. The Kymmene Company has increased its dividend to 16 per cent., the United Paper Mills, Ltd., is paying 15 per cent. as compared with 10 per cent. last year, and the Nokia Company, which owns mechanical and chemical pulp mills, paper mills and a power plant, is increasing its dividend from 15 to 18 per cent. The Tammerfors Linen and Iron Manufacturing Company, which besides its linen mills and engineering works, owns a big mechanical pulp mill, is paying 25 per cent., a dividend it has been able to maintain since 1919. The Finska Socker, the most important firm working only for the home market has had such a brilliant year's result that it has been able to issue three new shares to every two old ones. The dividend amounts to 8 per cent. on the whole capital, which now totals F.Mk.125 million.

The engineering trade shows some good balance-sheets. The Machine and Bridgebuilding Company, Helsingfors, which produces chemical pulp and paper machinery and milk separators for export, has increased its dividend from 11 to 12 per cent., and the Hogfors Company, which makes cast goods, is paying 19 per cent. as against 17 per cent. in 1924.

The textile industry has improved considerably. All of the six large cotton mills in Finland did better last year than in 1924. All are paying good dividends. The woollen industry considers prospects are promising, but the shoe and leather industry is suffering from depression. Life and fire insurance companies appear to have done well, but wholesale and rural merchants have in many cases not had a satisfactory year. Shipping companies in general are not doing well, but the largest shipping company in Finland the Finland Line is paying 10 per cent. as in 1924, and the large number of small shipping firms engaged in coastal or lake traffic are mostly able to pay satisfactory dividends. (*Mercator*, April 16 ; *Wirtschaftsdienst*, April 23.)

COMMUNICATIONS

The State Railways in 1925.—Last year the State railways achieved a record with a traffic surplus of F.Mk.163.4 million. This was undoubtedly due to the increased rates which came into force at the beginning of 1925, as passenger traffic shows a considerable decrease, partly owing to increased motor competition. Goods traffic shows a considerable increase as compared with 1924. The total receipts from railway traffic in 1925 amounted to F.Mk.726.2 million, which is F.Mk. more than in the previous year. The 1925 Budget estimated that the revenue from the State railways would amount to F.Mk.16 million. The State railways' expenditure was F.Mk.561,620,200 last year, or an increase of only F.Mk.1,174,800. The surplus from last year's traffic is thus F.Mk.163,429,400, or more than double the previous year's surplus of F.Mk.1,174,800. The Government's prophecy of increased revenue as the result of the increased rates has therefore been fulfilled.

It may now be said that the State railways are almost a financial success, although this depends on how their real value is estimated. At the end of 1925 the nominal value of the railways was F.Mk.1,454 million, this sum representing partly gold and partly paper money. Their present real value is estimated to be about F.Mk.4,700 million. The Board has this year begun to write off a fixed sum for depreciation of material, the sum allotted for this purpose in 1926 being F.Mk.52.6 million. If the same amount is allowed for 1925 and a sum of F.Mk.46.8 million is deducted for interest and amortisation of railway loans the net profit comes to about F.Mk.64 million. At least F.Mk.24 million ought, however, to be deducted for the work that the railways do free of charge, such as transport of mails, etc. Deducting only the sum to be written off for depreciation, the net profit would amount to F.Mk.110.8 million, which is equivalent to 7.6 per cent. on the book value, or 2.36 per cent. on the estimated real value of the railways. (*Mercator*, April 16.)

GERMANY

POLITICAL AND GENERAL

Improved Economic Conditions in April.—It is asserted in the monthly report of the Prussian Chamber of Commerce that economic conditions are gradually working back to normal, and that definite progress in this direction has been achieved during the month of April. The improvement has been most distinctly felt in the capital market, while the situation in the labour market shows no essential change for the better. The considerable credit balance in foreign trade amounting to Rmk.240 million for the month of March may be considered a sign of progressive recovery. The position of mining and of the iron-producing and iron-working industries, however, continues to cause anxiety. The reasons for this must be sought abroad, in the English mining subsidy and in the depreciation of the French and Belgian currencies. There are signs, however, not only in France and Belgium, but also in Italy and America, of a falling off in the volume of trade.

Most favoured nation agreements have been concluded with Denmark and Portugal. Negotiations with Spain, Japan, Turkey, Austria and Sweden are taking their course. The recent conclusion of the Potash Agreement strengthened international co-operation. The conclusion of a $5 million loan from the United States by the City of Hamburg for one year at the rate of 5⅞ per cent. is noteworthy as constituting the first case of a loan granted by a foreign country at a reasonable rate of interest.

There was little change in the position of the Ruhr coal mining industry in April as compared with the previous month, though certain tendencies cannot be viwed without anxiety. The total output will, in all probability, prove to be somewhat higher than in March, as the average daily output has increased from 315,670 tons to 321,364 tons, but the market is so uncertain that the output figures give no true idea of the position. Conditions there show a slight improvement, particularly in the disputed area. The number of shifts unworked owing to lack of sales amounted to 424,000 up to April 24. Stocks at the mines show an increase. The Gluckaufsegen and Preussen pits were closed down on April 15. The total number of hands employed in the Ruhr amounted at the end of March to 372,385. On April 15 5,780 men were dismissed and a further 3,790 received notice. In Upper Silesia the mining situation was distinctly worse. Whereas in March 58,277 tons were produced daily, the average daily output in April was only 49,000 tons. This heavy decrease was occasioned by lack of sales, stocks having risen from 102,345 tons at the beginning of the month to 130,000 tons. Sales of brown coal in Central Germany were about on a level with the previous month. Conditions have not yet shown any sign of improvement in the iron industry. There was a slight improvement from a purely quantitative point of view in the rolling mills product business, though prices have dropped, particularly in the case of export deliveries. Pig iron market conditions continue to be very unfavourable. There was much sharp competition on the foreign markets from the English, Belgian and French works. Orders and deliveries were not entirely satisfactory in the dyestuffs and chemicals business, but were quite adequate in by-products, particularly in pharmaceutical and photographic articles. The eager demand for nitrate fertilisers was maintained, but orders for nitrate products for chemical purposes fell off to some extent. There was a further decrease in orders received in the electro-technical industry. The distress in the shipbuilding industry continues. Sales have improved somewhat in the motor industry. Building activity leaves much to be desired, although the grant of a Reich credit of Rmk.200 million for the construction of small dwellings had raised hopes for a favourable building year. The cotton market was very quiet during April, prices maintaining approximately the level of the previous month. There was a further extension of part-time work in the linen industry, but the silk industry experienced a not inconsiderable improvement.

There has been no improvement in the desperate position of Rhine shipping. Full traffic has been resumed on the Ems-Weser canal. Many vessels have been lying idle on the Weser since the winter, and freights have consequently fallen steadily. Stettin shipping has shown greater activity as compared with the previous month. Competition on the part of Danzig is making itself acutely felt. (*Hamburger Fremdenblatt*, May 5; *Frankfurter Zeitung*, May 5.)

FINANCE

Conditions on the Money Market and Bourse.—The extraordinary liquidity on the money market continued throughout the month of April, and even became further accentuated. The demand for money is still relatively small, as even the usual seasonal animation of industry has failed to put in an appearance as in previous years, and large sums of money are at the disposal of the banks for use in the process of production and the exchange of goods. Among these are revenues from public institutions and State undertakings, the funds of the Reparations Agent, and finally a great number of foreign credits. During the month under review a tendency has shown itself to pay off foreign credits in view of the great liquidity on the home market, this being plainly shown in the reduced foreign currency fund of the Reichsbank, and many foreign credits and accounts have been withdrawn in consequence of the cheaper German terms.

This state of excessive liquidity has brought about the further reduction of the rate of interest for short-term loans. Day to day money was offered on an average at 3 to 5 per cent. Large sums could only be placed with the better firms at a much lower rate. It was therefore not surprising that large sums had to be left unproductive on Reichsbank account. Monthly money was plentiful at 5½ to 6 per cent. and far exceeded the demand, as it was natural that with day to day money so cheap the demand for monthly money was reduced to a minimum. The private discount rate was reduced twice during April to 4¾ per cent. without any great increase in the turnover resulting. Money was very easy at the end of April, the rates for day to day money merely increasing temporarily to 4 to 5 per cent. The effect of the large number of internal loans placed during April has not yet been felt on the money market, as the sums subscribed are still in the possession of the banks, and it will be a long time before they reach the money market and are applied to their appointed purposes. The internal loans issued during the month, including Treasury Certificates, amount to Rmk.400 million, and including those issued in the previous month exceed Rmk.650 million, a sum which under more normal conditions would have a considerable effect on the money market. The extraordinary liquidity on the public market, and the difficulty of placing liquid sums productively under the present falling tendency of interest has brought about the investment of large sums of short-term money in the new issues. It is an undoubted fact that a large proportion of the new issues have not been subscribed from the point of view of long-term deposits, and this constitutes a great danger which the Reichsbank president, Dr. Schacht, pointed out at the meeting of the German Chamber of Industry and Commerce when the question of a further reduction in the discount rate came up for discussion. At present it is impossible to say how far the money market can be prejudiced by the volume of new issues. Should a complete reversal of economic conditions develop, bringing with it a heavy demand on the open market, the inner issue market might, under certain circumstances, suffer great injury. On the other hand, were more attractive rates again offered, a stream of foreign money would naturally once more flow into the market,

thus constituting a certain compensation. On the whole, as long as the discount policy is skilfully handled the situation on the money market need not be considered from too pessimistic a standpoint. Long-term foreign loans have recently experienced a considerable reduction. Among the more important issues may be mentioned the 6½ per cent. loan of the State of Baden to the value of Swiss Fr.40 million, which has been placed in Switzerland and partly in Holland at 94 per cent. with great success; the second part of the Potash Syndicate loan to the amount of £5 million, with a rate of interest of 7 per cent., issued at 97½; and finally the Gulden loan of the Rhine Province to the amount of Fl.12½ million (7 per cent. interest, issued at 97½). Among industrial loans, that of the Ilseder Hutte (7.5 million), the Carl Zeiss Stiftung (Fl.3.5 million) and that of the Cellulose Factory of Waldorf (£0.75 million) may be mentioned. The one year Treasury bonds of the City of Hamburg to the amount of $5 million with 5⅞ per cent. interest, issued at 100 per cent., is noteworthy. A favourable influence will no doubt be exerted on the money market by the sums accruing from these loans.

The great liquidity on the open money market did not give as considerable an impulse to the Bourse as in the previous months. There was no further continuation of the strong upward tendency brought about by the liquidity and falling rate of interest in the market for securities with a fixed rate of interest. In consequence of the numerous new issues and various transfer operations there was even a slight set-back, so that the minimum quotations of the close of the previous month were no longer obtainable. On the share market the movement was irregular. Foreign participation, which was relatively active where new fixed interest issues were concerned, was comparatively small in the share market. The Parliamentary handling of the release offer on the part of the United States occasioned bitter disappointment on the Bourse and brought about a slump in the so-called "release" shares. On the other hand a few special values improved in consequence of favourable annual reports, especially the shares of the I.G. Dye Industry. The upward tendency of the Schultheiss-Patzenhofer Group was maintained. Interest was also sustained in the shares of the electrical works, first among which were those of the Siemens-Schuckert concern. Anxiety in regard to internal political developments, which was particularly prevalent during the latter half of the month, gave rise to increased restraint on the Bourse, so that little business was done and only a few special securities attracted interest. In spite of this the basic tendency of the Bourse remained firm. (*Wirtschaftsdienst*, May 7.)

TRADE

The Improvement in the Balance of Trade.—The improvement in the German trade balance has been achieved in two ways, by reduced imports of foodstuffs and by an increased surplus in the export of manufactured goods over and above the import of raw materials and manufactures. The import of foodstuffs (after deducting exports) has dropped from Rmk.400 million in July to Rmk.160 million in January, and amounted to about Rmk.175 million in February and March. For the present no reduction below Rmk.150 million can be expected, as the grain import is beginning to rise again and the existing trade agreements involve obligations which render a further reduction impossible. The export industries must, therefore, cover the imports of foodstuffs to this extent, in addition to the deliveries in kind to be effected under the Dawes Plan. In March such an export surplus was attained for the first time.

If this surplus on the part of the export industries is examined more closely, grave doubts will be aroused as to whether it can be consistently maintained at this level. After a considerable period showing little change it was possible in February to raise the export of manufactures by 10 per cent. (notwithstanding the shortness of the month), and in March by a further 10 per cent. This cannot be termed a particularly brilliant result. The improvement in the balance of trade for export industries has been brought about rather by a falling off in the import of raw materials and manufactured goods. The import of raw materials amounted to only Rmk.141 million in March as compared with Rmk.400 million in July and August. The import of manufactured goods fell from Rmk.160 and Rmk.200 million in the months July to October to Rmk.86 million in March. While the export of manufactured goods increased by only Rmk.100 million, the import of raw materials and manufactured goods decreased by Rmk.350 millions. If, therefore, the debit balance, which amounted in July 1925 to Rmk.400 million, has been transformed into a credit balance of Rmk.280 million and the balance of trade has thereby improved by Rmk.680 million, the increased export of manufactured goods has only participated to the extent of one-seventh and the decreased import of foodstuffs, raw materials and manufactured goods to the extent of six-sevenths. It is possible, if not probable, that the import of foodstuffs and manufactured goods will remain at the present low level, as it is less desirable from the point of view of economic policy than imperative on account of the economic crisis, but an increase in imports will most likely follow an improvement in the economic situation. On the other hand, it may certainly be assumed that industry cannot be carried on with such scanty imports of raw material as those of the last few months. Textile raw materials, ores and metals are of paramount importance in this connection.

The reduction in the import of raw materials and semi-manufactured goods has above all benefited the balance of trade of the textile industry. The following table shows the development (in million Rmk.) in the various branches of this industry (— import surplus, + export surplus):—

	1925.		1926.	
	July.	October.	January.	March
Cotton industry	— 41.9	— 108.4	—49.5	+ 0.6
Wool industry	— 30.1	— 35.7	—31.7	— 7.0
Silk industry	— 0.8	— 8.2	+ 3.0	+11.5
Various textile industries ...	— 3.2	— 6.5	— 0.2	+ 9.1
Ready-made clothing industry	+ 4.7	+ 9.8	+ 4.1	+11.0
Total ...	— 71.3	—149.0	—12.6	+25.2

The balance of trade in the textile industry has thus improved by Rmk.172.2 million since October. The whole trade balance of the export industry improved during this period from + 63.8 million to + 442.8 millions, that is by Rmk.379 million, so that almost one half of the improvement falls to the textile industry alone.

The balance of trade in the metal, machine and electro-technical industry shows the following development (in millions of Rmk.):—

	1925.		1926.	
	July.	October.	January.	March.
Iron industry	+ 59.5	+ 92.2	+101.6	+113.1
Copper industry	— 12.7	+ 2.7	+ 9.1	+ 7.8
Various metal industries	— 13.2	— 6.8	+ 3.8	+ 5.0
Machine industry ...	+ 35.1	+ 55.5	+ 51.2	+ 61.2
Electro-technical industry	+ 29.0	+ 32.5	+ 24.5	+ 26.5
	+ 97.7	+176.1	+190.2	+213.6

The import of ores and metals has fallen from Rmk.80.9 million in July to Rmk.47.1 million in October and Rmk. 22.5 million in January; in March it amounted to Rmk. 24.8 million. The import of iron and copper goods and electro-technical products and machines fell from 25.4 millions in July to 17.7 millions in March, a relatively small drop. Exports on the other hand rose from 204 millions in July to 247.4 millions; fell in January to 232.6 millions, and rose again in March to 256.1 millions. An increase of Rmk.52.1 million in the export of manufactured goods since July 1925 stands in conjunction with a drop of Rmk.62.8 million in the import of raw materials and manufactures. The increase of the export of manufactured goods has thus contributed rather more to the improvement in the balance of trade than

the textile industry, where a decrease in the import of raw materials and manufactured goods of Rmk.63.6 million is in apposition to an increase in the export of manufactured goods of only Rmk.33.2 million.

The following table shows the development of the balance of trade in the most important branches of industry apart from the textile and metal industries already mentioned (in millions of Rmk.):—

	1925.		1926.	
	July.	October.	January.	March.
Leather and hide industry	—10.4	+ 3.0	+14.8	+35.6
Paper industry	+16.9	+20.6	+31.5	+39.2
Chemical and dye industry	+60.9	+72.4	+61.1	+80.2
Timber industry	—44.0	—19.8	—12.9	— 4.7
China and glass industry	+24.9	+26.8	+25.9	+30.0
Rubber industry	—10.6	—10.9	+ 3.9	+ 3.2
Motor and motor-cycle industry	— 4.6	— 7.3	+ 0.3	+ 0.6
Bicycle industry	+ 3.6	+ 3.5	+ 3.7	+ 3.2
Shipbuilding industry ...	+11.6	+ 9.1	+ 0.7	+ 8.4
Fine mechanical industry	+14.5	+11.9	+18.5	+18.2
Children's toy industry ...	+11.6	+16.4	+ 3.7	+ 5.4
Oil industry	—68.7	—62.3	—38.2	—45.0
Tobacco industry ...	—31.3	— 9.8	— 4.9	— 7.6

Wherever in the balance of trade no import of raw materials comes into consideration, or plays only an unimportant part, the improvement in the branch of industry concerned is but a small one, the more so when no import of manufactured goods is involved. In the shipbuilding and children's toy industries there is even a less favourable balance than in July 1925. (*Deutsche Allgemeine Zeitung*, No. 198–199.)

INDUSTRY

Ruhr Coal Mining and the English Strike.—The effect on Ruhr coal mining of the English strike is, in the opinion of competent authorities in Essen, merely a question of the duration of the strike. As prices in the disputed area had already experienced a slight increase at the commencement of the unrest in England and have since been maintained at that level, purchasers have been somewhat reticent, as a reduction in the price of English coal was reckoned on immediately after an early termination of the strike either by means of a new subsidy or a reduction in wages, and they therefore refuse to buy the dear Ruhr coal. The price increases in the disputed area constitute an improvement even with an unaltered demand, as the relative increase in foreign sales of Ruhr coal which has recently occurred was regarded with mixed feelings in consequence of the low selling price. The price question is of particular importance in the case of reparations coal, the price of which has hitherto been dependent on the depressed situation of the English coal market and involved a loss of Rmk.5 per ton to the Ruhr industry. As no real English coal price exists for the moment, the question has been raised as to whether the German internal coal price may not be applied to reparations deliveries. Ruhr coal mining has experienced an improvement during the last few weeks as compared with the previous month. The average daily output, which increased from 319,000 tons in March to about 323,000 tons in April, rose during the week April 19 to 24 to 329,000 tons per working day. The Syndicate's stocks amount to about 2 million tons and the pit-head stocks to about 2.5 million tons of coal, 3.4 million tons of coke and 22,000 tons of briquettes. The increase as compared with March amounts to 150,000 tons of coal and 120,000 tons of coke. (*Frankfurter Zeitung*, May 5.)

The *Kölnische Zeitung* (May 10) learns from Essen that the situation at several of the Ruhr pits has been somewhat improved in consequence of the English strike. The wagon stocks in the Ruhr district, amounting to some 400,000 tons, were for the most part disposed of. The supply of wagons was much improved, and it was possible to despatch whole trains to Holland. A reduction in holiday shifts will be the first sign of improvement in the Ruhr district, and further extra shifts may be instituted, but a re-engagement of miners will only be possible in the case of a considerable extension of the strike in England. Should such an extension occur, a great and lasting success, including the regaining of old markets, is assured for the Ruhr coal mining industry. The general opinion in Essen is that since the strike has set in with such extensive organisation and cost, it will not be possible to end it very quickly, and that the termination of the State subsidy is likely to be the result of the whole movement.

ITALY

POLITICAL AND GENERAL

The Economic Situation as Reflected in the Report of the Banca d' Italia.—The current annual Report of the Banca d' Italia, the main features of which are published in the *Corriere Economico* of April 4 and *Echi e Commenti* of April 5 last, contains some interesting matter respecting the economic situation during the past twelve months.

The year 1925 was characterised by the progress made towards international order, the equilibrium of the national finances, the improvement of the commercial relations with foreign countries, the definite regulation of the war debts, and the efforts made to remove the pernicious effects of the period of inflation. The Report draws attention especially to the importance among other agreements of the Commercial Treaty concluded with Germany and of the foreign debt settlements with Great Britain and the United States. The financial situation, however, though in many respects quite favourable, in other respects was not equally satisfactory. The Treasury receipts showed splendid results and at the close of the year exceeded expenditure by some L.417 mill., whereas the Budget provided for a surplus of L.178 mill. only. The internal debt was diminished by L.452 mill., having declined from L.91,988 mill. at the beginning to L.91,536 mill. at the close of the year. There was further a considerable reduction in the floating debt. Reference is here made to the terms of the London Agreement for the settlement of the debt to Great Britain (see The Economic Review, March 5.)

The note circulation of the three banks of issue, however, showed a considerable augmentation during the year, rising from L.18,114.2 mill. to L.19,349.7 mill., an increase of L.1,235.5 mill., the note circulation to the commercial account having increased by L.1,414 mill., and that to the account of the State having declined by L.179 mill. On the other hand, Treasury notes in circulation decreased from L.2,400 mill. to L.2,100 mill., or by L.300 mill. The joint circulation therefore represents an augmentation of L.935.5 mill., having risen from L.20,514.2 mill. to L.21,449.77 mill. This increase in the circulation was largely due to the intensified demand to satisfy the requirements of the current market. The exchange portfolio of the three banks of issue rose from L.5,109.3 mill. to L.6,520.4 mill. during the year; advances on securities from L.3,157.7 mill. to L.3,915.2 mill. There was a disproportion between the credit requirements of industry and commerce and the available means to satisfy this demand. The accentuated difficulty of the home market, which became acute at the beginning of the second half of last year, coincided with the unfavourable course of the rates of exchange with abroad. The highest point was touched in the month of July, after which a slow improvement set in. Despite the unfavourable conditions the banks had to grant large sums in loans in order to avert a confidence crisis. There was an intensified movement in respect to the capital increases of joint stock and limited liability companies, and eventually the Government decreed that no increases could be made without its permission. Savings accounts developed more slowly during the year, whilst the balance of foreign trade continued to show an excess of imports over exports.

In most branches of industry a satisfactory activity

was noted and in many directions extensions were made. The Italian Government has not failed to adopt numerous measures to encourage and develop the various branches of national industry. The silk spinning industry found its chief difficulty in the high prices that had to be paid for its raw material, with the result that the selling price did not cover the cost of production. The weaving branch, on the other hand, was favoured with a brisk demand both from the home and foreign markets. Despite the higher import duty in Great Britain, the more serious French competition on acccunt of the fall in the franc and the competition of Asia in the American market, exports were improved. The artificial silk industry enjoyed a favourable period, while the cotton mills were worked to their full capacity in order to cope with the heavy demand from the home market and abroad. The relaxed demand of the home market for home manufactured woollen articles was offset by the lively requirements of eastern Europe, India and South America. About one-third of the woollen goods manufactured in Italy is now exported. The flax and linen industries did not participate in the general improvement and had to restrict their output; but the jute branch was kept busy and secured good prices. The mining and quarry works experienced a satisfactory period, the exports going mainly to Great Britain, France and the United States. Up to the last few months of the year, when a certain slackness set in, the machinery and the electro-technical works, as well as the general building trades, had little to complain about. The situation in the branch for manufacturing agricultural machinery and implements is particularly promising. The various wharves were kept busy, although the freights did not counterbalance the increased working costs. Old vessels are being replaced by new ones and the Government has done much to stimulate the maritime trade conducted by Italian lines, while the wharves themselves are being brought much more up to date in their equipment. In the automobile trade great efforts have been made in the direction of the standardisation of the touring type of car. The large number of orders for cars received from Russia, the Balkans and from countries overseas has fully compensated for any loss there may have been from the increased import duty in France and the strong American competition in the European market. The aircraft manufacturers are preparing for busy times ahead; great progress has already been made and, in view of the improved apparatus and motors that the Italian firms are now turning out, their hopes will probably not be ill-founded. The prosperous period enjoyed by the chemical industry has continued, especially in respect to the manufacture of sulphuric acid, for which there is a constant demand resulting from the increased use of artificial fertilisers. The briskness in the textile trades has reacted upon the dye-works, which have been well employed in spite of various technical difficulties and the severe competition of foreign and particularly German products. In the glass manufacturing branch notable progress has been made in the substitution of machinery for hand labour. In the tanning and leather-dressing trades the workers were on full time for practically the whole year, while the manufacturers of footwear have been correspondingly busy, a striking feature of the year being the introduction of a better and more hygienic class of shoe. Contrary to most branches of industry the sugar factories did not enjoy such a satisfactory time as in the preceding year, and many of the works had to shut down. The Government has, however, increased the import duty on sugar and an improvement is to be expected.

FINANCE

Revised Estimates for 1926-27.—The Minister of Finance has submitted his revised estimates for the financial year 1926–27, which begins on June 30 next. The original Budget provided for a total revenue of L.18,758 mill. and a total expenditure of L.18,443 mill., the surplus of revenue thus being L.315 mill. As a result of numerous modifications that have since been effected the total yield of revenue has been reduced to L.18,299 mill., while the total expenditure is cut down to L.17,935 mill., resulting in a surplus of L.365 mill. (The figures given exclude the budget of the Ministry of the Colonies.) Some of the Ministries required augmented sums in the revised estimates, the respective increases being as follows: Ministry of State, L.100,000; Ministry of Justice, L.13,800,000; Ministry of the Interior, L.43,864,000; Ministry of War, L.46,500,000; Ministry of Marine, L.9,255,000; Ministry of Aviation, L.3,400,000; Ministry of Public Works, L. 64,430,000; Ministry of Communications, L.4,310,000; Ministry of National Economy, L.16,567,000; Ministry of Public Instruction, L.13,750,000. The Ministry of Finance was able to effect a net reduction in its own estimates which more than counterbalanced the increases of the other Ministries above mentioned and resulted in a net increase in the available surplus. (*Corriere della Sera*, April 13 and 14.)

The Banca d' Italia as Sole Issuing Bank; Augmentation of Capital.—The Fascist Council has approved an order of the day expressing agreement with the proposed reform of the Banca d' Italia which in future will be the sole issuing bank in Italy. Steps are to be taken forthwith to effect the necessary transfer of powers. This change will necessitate an increase in the capital of the Banca d' Italia. The aggregate banking circulation of the Bank of Naples and the Bank of Sicily, which at present participate with the Banca d' Italia in the issue of notes, amounts to about L.4,000 mill. The present share capital of the Banca d' Italia amounts to L.240 mill. (*Corriere della Sera*, April 21 and May 1.)

INDUSTRY

Development of the Artificial Silk Industry.—The rapid growth of the artificial silk industry is one of the most striking features of the industrial situation in Italy. The Italian factories which only came into existence fourteen years ago, now hold the second place in world production, ranking immediately after those of the United States. In March last the capital investment in this industry stood at 1,345 million lire; in November it exceeded L.1,600 million, distributed as follows: Snia Viscosa 1,000 mill., Soie de Châtillon 150 mill., Società Generale Viscosa 125 mill., Super Tessile 60 mill., Meridionale Seta Artificiale 50 mill., Seta Artificiale Varedo 80 mill., Seta Artificiale Ceriano 15 mill., Seta Artificiale Aquila 25 mill., Soc. Gerli Rayon 15 mill., Viscosa de Vercelli 44 mill., Seta Artificiale di Cremona 40 mill., Soc. Fibre Tessili Artificiali L.750,000, and Orsi Mangelli Forli L.50,000.

The output of Italian artificial silk amounted to 4,600,000 kilogrammes in 1913, to 12,500,000 in 1924 and estimates place the figure for 1925 at twice that amount. The Snia company alone estimates its output for the current year at 9 million kilogrammes, as compared with 5,301,426 in 1924 and 2,994,274 in 1923.

The home demand for artificial silk is steadily increasing and absorbs about 50 per cent. of the total production. This textile fibre is used largely in conjunction with cotton, and the prosperity of the cotton industry favours that of artificial silk.

The largest market for the Italian product in the first nine months of 1925 was that of Great Britain (1,992,611 kilogrammes), followed by the United States (1,192,190 kilogrammes). Business with the latter country shows a remarkable development, as imports for the corresponding period of 1924 only amounted to 37,623 kilogrammes. Other important and rapidly growing markets are those of Germany, China, British India, Spain and Argentina. There has been a decline in exports to France, Austria and Czechoslovakia.

The growth of this export trade is shown by the following table (in kilogrammes):—

Year.	Imports.	Exports.
1913	78,664	230,433
1920	374,120	396,364
1921	299,937	1,302,906
1922	432,052	2,016,747
1923	508,468	2,325,968
1924	658,246	5,595,466
1925 (10 months) ...	513,965	7,215,125

(*Report of the General Federation of Italian Industries.*)

SOCIAL AND LABOUR CONDITIONS

A Remarkable New Movement.—From numerous recent issues of the *Dopolavoro* we have garnered the following particulars of the extraordinary development of a new movement in Italy, which has no exact counterpart in other countries and which is destined to have a far-reaching influence in moulding the Italian national life and character. The movement, known as the "Dopolavoro" from which its journal also takes its name, appears from all accounts to combine some of the best features of the old British Guilds, the modern Workers' Educational Association, the University Extension movement, a Social Welfare centre, a sick benefit club and an insurance and provident association, together with certain features peculiar to itself.

The Dopolavoro is an official or semi-official body, but membership is not exclusively reserved to Fascists; anyone may join on swearing allegiance to God, the King of Italy and Italy itself. It is not, however, permitted to members to belong to any international body such as the Second or Third International or the Masons. The Dopolavoro is closely associated with the National Insurance Institute, the largest provident society in continental Europe, the income of which last year amounted to L.1,480 mill. The central office is at Rome, but there are now branches in every town and even, it appears, small district branches in the villages. The movement was primarily intended for State employees, among whom the railway section has made most progress in the development of this social organism. But the movement is now being extended to all engaged in any branch whatsoever of economic activity on the condition above mentioned, the difference between the membership of State and other employees being that in the former case the Government makes a certain contribution to the funds on behalf of its employees. In addition to such contributory sums the Government has already made a grant of one million lire to the Dopolavoro, which arranges instructional classes in the various industrial, agricultural and commercial districts. These classes are in every instance arranged and adjusted to meet the peculiar requirements of educational advance of the respective districts. Thus, in the rural districts classes are held and advice given on all matters relative to the development of agriculture on sounder and more scientific lines, hobbies and village industries encouraged, etc., while in the towns the classes provide instruction in technical subjects, commercial routine, foreign languages, etc. In all of the branches lectures and instruction are given in matters of health, home management, first aid, physical exercise, etc., while facilities are offered for the enjoyment, the studious pursuit and practice of music, dancing, and in fact of all the arts. Theatrical performances are organised, instrumental bands and choral societies are established, and clubs formed for the participation in every kind of sport. Realising the obstacle in the way of many of the inhabitants, especially in the rural districts, on account of illiteracy, the authorities have drawn up and already started in many centres a scheme of popular elementary education. There appears to be nothing cast-iron about the organisation of the Dopolavoro, despite the fact that it was inaugurated by a Government department. No particular form of instruction or sport or hobby is imposed upon the members. On the other hand, each branch of the Dopolavoro is entirely free to choose whatever subject, sport or other form of recreation it likes; all that the authorities at headquarters then do is to engage experts in the particular subjects chosen by the members and to organise classes and free advice in these subjects. This freedom of choice undoubtedly accounts for the remarkable enthusiasm with which the new movement has been taken up and the rapidity with which it has spread throughout the country. Wherever it is considered necessary for the efficient conduct of classes in the subjects chosen the Government makes a special grant to meet the case. Furthermore, educational booklets dealing with every conceivable branch of study have been published and made easily accessible to members of the Dopolavoro.

Apart from all these benefits, members also enjoy certain privileges in respect to travelling and public entertainments. Under certain conditions members may travel at half the usual fare on the railways and can also obtain cheap members' tickets for admission to public performances in the theatres.

In short, the Dopolavoro may be summed up as an organisation to provide for the fuller and richer enjoyment of life in the very best sense of the term.

The Last Census and Migration Statistics.—The recent census taken in Italy shows that there are now more than 42 million inhabitants in the country, or an increase of about 3 million since the taking of the previous census in 1921. In respect to the number of inhabitants Italy now holds the fourth position in Europe, the leading country being European Russia with 101 million inhabitants, followed by Germany with 63 million and Great Britain with 44 million.

The provisional figures of the migratory movements of Italian subjects during the year 1925 give the number of emigrants at about 300,000 souls as against 408,000 in 1924, and the number of immigrants at about 200,000 souls. While in former times emigration was considered the sole solution of the problem of the superfluous population the numerous schemes of internal development will probably reduce the number of emigrants during the present and coming years. (*Economia*, No. 3.)

SPAIN

POLITICAL AND GENERAL

Naval Programme.—The plans of the Ministry of Marine for the construction of three new torpedo-boat destroyers and a new cruiser have been approved by the Spanish Government and work upon the new vessels is to be commenced forthwith. The official *Gaceta* states that the new cruiser will be of the "Príncipe Alfonso" and "Almirante Cervera" type and will be built by the Sociedad Española de Construcción Naval

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at El Ferrol. It will have a speed of over 32 knots per hour and will cost about 61 mill. pesetas. The three new destroyers are to be on the lines of the "Churruca" and "Alcalá Galiano," with maximum speed. They will be built in the Cartagena yards and will cost about 49,380,000 pesetas. The total cost of all the new vessels thus amounts to 110,380,000 pesetas, which sum is to be met by four annual Budget instalments, 28 mill. pesetas in the Budget for 1926–27, 30 mill. pesetas in the 1927–28 Budget, a similar amount in the 1928–29 Budget and 22.38 mill. pesetas in the Budget for 1929–30. According to the contracts, the shipbuilders are pledged to introduce at any moment during the period of construction the very latest tested improvements, especially in regard to gunnery equipment, so that the vessels when completed will be absolutely up to date. It is stated that one of the main reasons that induced the Government to place the orders for laying down the keels for these new vessels at the present moment is the desire to stem the growth of unemployment in the various naval yards and arsenals. (*El Sol.*)

FINANCE

Provisional Liquidation of the Budget for 1924-25.—The Audit Department of the Ministry of Finance has just issued the statement of the provisional liquidation of the budgetary accounts for the finanical year 1924–25, which may be summarised as follows (in millions of pesetas): Estimated revenue for 1924–25, 3,605.92; estimated expenditure, 3,842.34; liquid receipts, 3,853.19; liquid obligations, 3,664.55; realised receipts, 3,680.87; effected expenditure, 3,301.28; revenue still to be collected, 172.32; expenditure still to be effected, 363.26; difference in favour of liquid receipts over obligations, 188.64; difference in favour of realised receipts over effected expenditure, 379.59; difference in favour of obligations still to be met over revenue still to be collected, 190.94. The exact surplus of realised receipts over effected expenditure is Ptas.379,596,605.84. From this must be deducted the integral product of the negotiation of the Treasury debt (Ptas.802.74 mill.), less Ptas.5.98 mill. for the reimbursement of the said obligations, which converts the above-mentioned surplus into a deficit of Ptas.417,144,695.40. Apart from this the deficit was also influenced by the following items: Interest on the Treasury obligations, Ptas.100.79 mill.; interest on the foreign debt, Ptas.20.88 mill.; payments abroad, Ptas.16.28 mill.; payments to the match monopoly, Ptas.15.34 mill.; total, Ptas.153.30 mill., which brings the total deficit to Ptas.570,450,136.23. (*El Liberal*, April 10.)

Proposed Economies in the Budget for 1926-27.—The National Commission of Economies has submitted its proposals for economies to be effected in the Budget for the financial year 1926–27. The proposals are classified under four headings, viz. economies to be effected immediately (column "*a*" in the table below); those to be submitted to special committees (column "*b*"); economies to be realised by means of reorganisation of the respective services (column "*c*"); and economies to be effected through the medium of extraordinary estimates (column "*d*"). The following table gives a résumé of the plan to be put into operation as it affects the various Ministries (in pesetas):—

	(*a*)	(*b*)	(*c*)	(*d*)	Total.
Public Debt	—	—	1,332,810	—	1,332,810
Passive items	—	—	4,000,000	—	4,000,000
Ministry of State	75,000	—	1,020,000	—	1,095,000
Ministry of Justice	4,411,255	—	1,500,000	—	5,911,255
Ministry of War	30,000,000	—	25,000,000	50,000,000	105,000,000
Ministry of Marine	8,315,479.89	—	17,500,000	41,041,191.14	66,856,671.03
Ministry of the Interior	5,214,002	1,750,000	—	3,281,250	10,245,252
Ministry of Public Instruction	9,431,750	8,200,000	—	13,149,067.44	30,780,817.44
Ministry of Public Works	35,718,377	4,628,000	—	51,227,446	91,573,823
Ministry of Labour	1,598,600	2,704 500	—	—	4,303,100
Ministry of Finance	162,963.50	—	—	—	162,963.50
Contributions	1,371,486.35	—	752,256	3,300,000	5,423,742.35
Public Works—anticipated per tax in respect of the railway companies	46,800,000	—	—	—	46,800,000
Total	143,098,913.74	17,282,500	51,105,066	161,998,954.58	373,485,434.32

(*La Voz*, April 14.)

Customs Report for 1924.—The General Administration of the Spanish Customs has just issued a memorandum on the sources of Customs receipts for the year 1924. In reproducing this report the *España Económica y Financiera* of April 10 refers to the grave inconvenience occasioned by the belated publication of the Customs statement, of which it has repeatedly had occasion to complain. The following are the outstanding statistics of the report in question:—

Receipts.	1924.	Difference compared with 1923.
Import duties	541,366,377	+ 98,019,860
Transitory charges	5,024,042	+ 676,598
Export duties	10,363,913	+ 7,590,474
Transport tax	41,365,287	+ 1,272,513
Tax on tonnage	3,228,838	— 24,137
Minor duties	4,376,103	+ 63,759
Sundry	154,188	— 18,071
Total	605,878,748	+107,580,996

The annual totals for the period 1919 to 1924 have been as follows (in millions of pesetas): 1919, 179.9; 1920, 290.6; 1921, 362.1; 1922, 505.4; 1923, 501.1; and 1924, 605.9. Import duties in 1924, which accounted for by far the largest portion of the total Customs receipts, were distributed as shown below, in comparison with the figures for 1923:—

Import duties on	1923.	1924.
Wheat	252	266
Other cereals	8,193,088	5,727,978
Petroleum and mineral oils	22,086,311	28,858,441
Sugar	625,068	22,354,405
Cocoa	8,033,076	9,711,820
Coffee	51,716,866	51,378,440
Cod	16,513,443	24,192,688
Tea	343,220	346,750
Pepper, cloves and other spices	1,617,465	1,238,760
Cinnamon	995,227	752,440
Total	110,124,010	144,561,988

The total receipts from the same sources in 1913 amounted to 68.33 mill. pesetas. As a result of the fiscal legislation the volume of wheat imports dropped from 489,785,137 kg. in 1920 to but 2,525 kg. in 1923 and only 1,900 kg. in 1924. The average annual imports of wheat for the period 1919 to 1923 was 287,378,613 kg., whereas they amounted only to 1,900 kg. in 1924. Consequently the yield of the import duty on wheat has practically disappeared: the average sum collected from this duty during the period 1919 to 1923 was 2,658,775 pesetas, while in 1924 only 266 pesetas were received. The yield of the duty on petroleum and mineral oils steadily increases year by year. The internal industrial development and the growing consumption of oil for various purposes is chiefly responsible for this increase. The average annual imports of petroleum and mineral oils for the period 1919 to 1923 was 88,025 tons; in 1924, however, these imports rose to 207,249 tons. The average amount of the import duty received from this source during the above-mentioned period was 15,037,609 pesetas; in 1924 the yield was 28,858,441 pesetas. Imports of cod amounted to 77.1 mill. kg. in 1924 yielding 24.2 mill. pesetas in import duty, as against an average for the preceding period of 56.7 mill. kg. yielding 15.9 mill. pesetas. Similarly cocoa imports rose to 13.5 mill. kg. in 1924 with a resultant yield of 9.7 mill. pesetas, as against an average

import of 8.6 mill. kg. with an average yield of 7.6 mill. pesetas. The collection of the sugar duty in 1923 resulted in the very low sum of 0.6 mill. pesetas; but the average for the five-year period preceding 1924 was 13.8 mill. pesetas, while in 1924 the yield amounted to 22.3 mill. pesetas, although the volume of sugar imports in 1924 was only 26.3 mill. kg. as against an average of 33.4 mill. kg.

TRADE

Denunciation of Commercial Treaties with France and Paraguay.—The Minister of State has issued to the Press a note to the effect that the Spanish Government has denounced the existing commercial treaty with France, to take effect as from July 15. This denunciation does not mean a rupture in the commercial relations between the two countries. On the contrary, both countries will probably utilise the intervening three months to negotiate another treaty that will satisfy more closely the special needs of each State. The present treaty has been denounced largely on account of its failure to meet the special commercial requirements of Spain at this stage of development. It is imperative for Spain to reduce the adverse foreign trade balance and to endeavour to establish a favourable one. A fresh treaty with France might assist in this direction. (*El Debate*, April 21.)

By a note dated February 19 last the Government of Paraguay has denounced Clause 3 of the Treaty of Peace with Spain of September 10, 1880. Under this clause the countries mutually conceded most favoured nation treatment in regard to trade, Customs tariffs, trade marks and rights of citizenship. In consequence of this notice of cancellation the provisions of the clause will cease to have effect as from February 19, 1927. (*Report of the Anglo-South American Bank*, March 27.)

Import and Export Regulations.—With a view to encourage the production of dyes and explosives in Spain, the National Economic Council has appointed a committee to investigate the question fully and to report upon the best measures to be adopted for the development of these industries. In the meantime, a Royal Order has been published in the Madrid *Gaceta* of March 11 last providing that, until other official measures are adopted, the importation is temporarily prohibited of dyes and explosives covered by items Nos. 793 to 796 inclusive in the Spanish Customs tariff. These items include explosive chemicals and aniline dyes derived from coal tar. For the import of such articles permits will be required, application for which must be made by the importers to the National Economic Council, accompanied by sealed samples. The above regulations are applicable to goods despatched from the point of origin in regard to land transport, or from the port of shipment in regard to sea transport, as from the day following the date of publication of the order in the *Gaceta*.

A Treasury Order, published in the official *Gaceta*, authorises the free exportation of the early crop of potatoes up to a total of 40,000 tons. Moreover, this quantity may be increased to 50,000 tons in the event of the harvest being adequate, with due regard to the demand for home consumption. The period within which these potatoes may be exported terminates on August 15 next. Free exportation of lentils up to a total of 3,000 tons has also been authorised, such shipments to take place not later than November 1 next, under specified conditions. (*Report of the Anglo-South American Bank.*)

The Import of Foreign Sugar.—With reference to the recent protests against the proposal to permit the importation of foreign sugar into Spain on the grounds that it was restricting the development of the native sugar-growing industry, an interesting report has been published by the representative of the Spanish sugar-refining industry on the Consejo de la Economía Nacional. The report deals with the agricultural, industrial and financial, as well as the economic aspects of the question, and mentions that disbursements in wages and other outgoings during the last Spanish sugar season involved a sum of no less than Ptas.118,000,000. It is pointed out that the Spanish sugar-growing industry is one of the few which have been in a position to utilise undistributed profits realised during the war for development and improvements in methods of production. The report observes, however, that the industry is in need of State support, as costs have increased enormously since 1915; for instance, the cost of beet has increased 177 per cent. and labour 300 per cent., thus creating a difficult situation in an industry in which the annual turnover amounts to some Ptas.280,400,000. From the point of view of the national finances, the industry contributes to the State an annual amount of no less than Ptas. 130,000,000 in the form of taxes. Finally, the industry fulfils the mission of providing the country with an article of prime necessity independently of imports from abroad. (*Report of the Anglo-South American Bank.*)

AGRICULTURE

Silk Cultivation.—A national conference of all interested in the cultivation of natural silk is to be held at Madrid in the month of May to consider the best means of encouraging the industry in Spain. At present the silk-growing industry is suffering from a crisis, but there are hopes that this branch of activity may be restored to the leading position it held in the past. The Spanish growers are assured of the sympathetic support of the Lyons silk manufacturers, as the superiority of the Spanish silk is generally recognised. To give an idea of the present situation in the silk-growing industry it may be mentioned that the production of natural silk in Spain during the year 1925 totalled 1,100 tons, of which some 900 tons were produced in the Segura valley. The distribution of this total volume was as follows: to Valencia for spinning and subsequently for the Spanish markets, 15.5 per cent.; exported raw, 25.5 per cent.; to Murcia for spinning and subsequently for exportation, 46 per cent.; to Murcia also for spinning and subsequently for the home market, 13 per cent. The present total production of silk in Spain meets no more than one-third of the demand of the Spanish silk-weaving industry, that is but one out of three million kilogrammes. The prices paid to Spanish growers are generally the same as those ruling in the Marseilles market regulator. (*Heraldo de Madrid*, April 22.)

The Grape Crop and Wine Production in 1925.—The grape crop and the production of wine in Spain last year were both more satisfactory than in the four preceding years. The grape crop yielded a total of 4,407,458 tons of grapes as compared with 3,771,080 tons in 1924, while the yield of the wine press amounted to 26,697,590 hectolitres in 1925 as against 21,744,665 hectolitres in the preceding year. Notwithstanding satisfactory results, the wine industry is said to be passing through a serious crisis.

COMMUNICATIONS

Telephone Reform and Extensions.—The general programme of the improvement of the public services in Spain includes, among other important undertakings, the reform and extension of the telephones. It is proposed to lay down underground cables and to install the automatic telephone service, besides adopting other measures for making the telephone system thoroughly up to date. The work has already been commenced in certain districts, while at Santander on the north coast the National Telephone Company of Spain has just completed the work of canalisation for the automatic service. A new and commodious telephone exchange has been erected and a school established for the instruction of the employees. A number of new trunk lines are being laid down, one of the most important being

that from Santander to Burgos, a distance of nearly 100 miles. When completed this line will greatly facilitate communications with Madrid and thence with all southern districts. Between Madrid and Barcelona eight new trunk lines are to be laid down, forming a junction at Zaragoza with the new lines from San Sebastian and Bilbao, which two towns are also to be connected with Santander by four new lines. Thus there will be a speeding up of communications between the capital and the north and north-eastern provinces. In the north-west additional connections will be established between Léon, Oviedo and Ponferrada, and from Ponferrada through Orense to Vigo, and further through Lugo to Corunna. An improved service is to be started between Corunna, Betanzos and El Ferrol. From Villabona trunks will spread out to Gijón and Avilés and also to Oviedo, whence additional lines will connect with Santander. Similar installations are to be made between Olmedo, Valladolid, Palencia and Burgos. For the present the developments are being concentrated in the central, north, north-eastern and north-western provinces, but it is expected that similar improvements will be inaugurated in the remaining provinces when the work already begun is well under way. The major part of the present operations will probably be completed before the end of the year.

Air Post to South America.—According to reports in the Press the Government is studying a scheme for the establishment of a regular air post service with Buenos Aires and other important cities in South America. The successful flight of Commandant Franco across the Atlantic has given encouragement to this postal scheme, in so far as it demonstrated the possibility of reducing the period of time of ordinary postal communications between the two Spanish-speaking countries. The scheme includes an ordinary transit service for passengers, though probably at the outset the service will be restricted to postal transmittances. A proposal has also been made to establish a commercial air service between Seville and South America, but it is considered that the experience gained, valuable as it is, does not yet warrant the experiment for commercial purposes.

TURKEY

POLITICAL AND GENERAL

Revolution in Turkish Civil Life.—The Turkish revolution and the consequent establishment of the Republic have been consolidated by the latter revolution in the civil life of the country. The suppression of the Caliphat, the abolition of the fez and the introduction of western clothes and manners were but outwards signs of the far-reaching changes that have been taking place and which have affected every department of life in the Republic. Endeavours are being made to reform and simplify the Turkish language and to introduce various reforms in the universities and schools. The National Assembly has determined that the Gregorian calendar shall henceforth be the official measure of time and has accordingly decided that a day shall be divided into twenty-four hours in keeping with the western system, Brussa to be the point of the first meridian. The old Mohammedan calendar will be retained for a period in company with the new measure. Preparations are now being made for the introduction of the metric system and the matter has been undertaken by the Commercial Committee of the National Assembly. The draft law provides for the monopoly, if found to be necessary, of the manufacture of weights and weighing machines, and the prohibition of the use of all weights and measures other than those to be adopted. It is reported that the use of the existing measures will be tolerated for a period of two years after the official adoption of the new units.

Most important of all these changes, perhaps, is the introduction of new legal codes. At first it was decided to build up entirely new codes upon the basis of those existing in western countries; it was found, however, that this would prove to be too long a process, with the result that the new codes are almost entirely a translation of the western laws. The attitude of the general Turkish press towards this question is probably reflected in the opinion of the *Gumhuriyyet*, which declares that the European codes are infinitely superior to those hitherto applied in Turkey. The outstanding changes in this respect are the adoption of the Italian penal cosde, the German commercial code and the Swiss civil code, the introduction of which is bound to bring about further transformations in Turkish civil life. The Angora correspondent of the *Pester Lloyd* writes that on returning to Turkey after an absence of five years one is simply astonished at the remarkable changes that have taken place in the interim not only in the political, but also in the economic and social spheres. To-day marks not the end of these changes; the process is continuing.

FINANCE

Financial Measures.—The Commission for Increasing National Revenue, states the *Mitteleuropäische Wirtschaft*, has drafted a bill for the new regulation of the death duties, based on the law existing in France. This is but one expression of the endeavours now being made by the Ministry of Finance to set the national finances on more scientific foundations and to augment the nation's revenue. The partiality that has been shown in the past in the collecting of revenue is being eradicated. It is further proposed to adopt a graduated income tax based on a declaration of income, and the poll tax is to apply equally to women as to men. The graduations of the new income tax range from 8 per cent. on incomes of £250 to 13 per cent. on incomes of over £6,000. Married men will benefit by certain alleviations in taxation, as compared with bachelors. The Ministry of Finance also hopes to augment national revenue fairly considerably by the introduction of monopolies of the importation and sale of sugar and oil.

The Government's action in regard to dormant dividends and deposits, which will probably benefit the Turkish Treasury by some £T.15 mill. to £T.20 mill., was described in The Economic Review of March 12.)

The Turkish Press claims that the financial situation of the country is sound, but still inadequate to meet the needs of the general reconstruction, which is a matter of some urgency. The Government has no intentions of resorting to a foreign loan; on the other hand, it is hoped that the new measures and the resultant increase in revenue will convince the outside world of the soundness of Turkish finances and induce foreign capital to participate to a greater extent in Turkish enterprises.

Banking Intelligence.—In order to expedite the execution of the necessary public works the Turkish Government intends to found a new Bank for Public Works with a total capital of £T.90 mill. In addition to the participation of the Government itself the Vakus Board will subscribe £T.25 mill. and the municipality a further £T.25 mill. towards the requisite capital, whilst several other smaller institutions will subscribe to a less degree. The main purpose of this bank will be to undertake the construction of railroads, highways, portworks and similar enterprises that come under the category of public works. It is possible that the cooperation of European banks will be solicited. (*Mitteleuropäische Wirtschaft, Neue Freie Presse*, April 24.)

Since the conversion of the Turkish Agrarian Bank into a joint stock company it has considerably extended the scope of its activity. The Bank has been able to realise the purpose of its foundation, namely, the effective encouragement of agriculture, especially in respect to credits afforded to cotton growing, and the cultivation of grapes, figs, nuts and tobacco. The Bank has also sent several of its staff abroad to study the

different agricultural methods employed. (*Mitteleuropäische Wirtschaft*, March 13.)

TRADE

Extensive State Orders.—As a result of the altered political conditions in Turkey the economic life of the country has become fresh and brisk, its activity being reflected in the numerous orders for material given by the Ministries and railway management. During the last year and the past few months orders have been placed in connection with the construction of highways and bridges, official buildings and dwelling-houses, the installation of light and power systems, the erection of postal, telegraph, and telephone stations, the supply of locomotives, railway trucks and carriages, signal installations, sleepers and various other railway stock, ships, boilers, motors, factory requisites. the construction of canals and water conduits, the drainage of marshes, etc., the regulation of the waterways, the delivery of tool-making machinery, pumps, cranes, tools, chemicals, dyes and varnishes, electro material, and the execution of port works. These are but some examples of the extent of the State orders; as the modernisation of Turkey proceeds there will undoubtedly be a considerable increase in the State requirements. In order to secure orders for the delivery of various materials to the Turkish Government it is most essential that a well qualified representative should be on the spot with good relations with the respective authorities. He must also keep himself thoroughly *au courant* with the intentions of the respective authorities and the details of their requirements, since the advertisements inviting specifications, etc., usually appear in the public newspapers but a short time before the actual close of the term for submitting quotations. To ensure success one must be able to quote straightway. (*Wirtschaftliche Nachrichten*, Vol. 3 (9), No. 11.)

Development of the Monopoly System.—The economic policy adopted by the Turkish Government has resulted in a marked development of the monopoly system. Free commerce shrinks more and more as the Government assumes the role of the sole purchaser of various commodities, the quondam importers thereupon playing a secondary part as purchasers from the Government. Turkish foreign trade is therefore undergoing a transformation, of which foreign firms supplying goods to Turkey should take good note.

Up to a few years ago the Turkish Government purchased abroad, like all other States, only the material required for the upkeep of the army and navy and the other State services. The general requirements of the public were satisfied by free commerce in the necessary commodities, through the intermediary of the importers. When the present Nationalists assumed power the trade in tobacco and salt only was conducted as a State monopoly. The monopoly administration proved financially satisfactory and has been renewed for a period of five years. The tobacco monopoly has been extended to embrace all articles used in connection with the manufacture and packing of tobacco and its products. Thus, machinery, pasteboard, labels, covers, packing paper, etc., all come under the monopoly régime. Cigarette paper and matches are also associated with tobacco and are now administered by a monopoly. A considerable portion of the demand for matches will be met by the erection of a large match-making factory in Turkey. At the beginning of the year the Government introduced the sugar, petroleum and benzine monopolies. The sugar monopoly embraces all articles made of or containing sugar (see The Economic Review, March 12). The petroleum monopoly is to be transferred to a Turkish company. Since the introduction of the above mentioned monopolies the alcohol monopoly has been adopted. The original intention of the Nationalists when they took office was to follow the example of the United States and make Turkey go "dry." This was found to be impracticable and the Government was obliged to repeal the prohibition. The application of the present monopoly is an endeavour to restrict the sale and consumption of alcoholic beverages in Turkey. The alcohol monopoly is on much the same lines as the sugar monopoly, except that the retail trade is subjected to much severer regulations. It is estimated that within five years the whole of the alcohol consumed in Turkey will be manufactured solely within the country. It is probable that the Government will yet introduce further monopolies for other commodities. (*Wirtschaftliche Nachrichten*, Vol. 3 (9), No. 8.)

The *Mitteleuropäische Wirtschaft* of March 13 reports that since the introduction of the sugar monopoly in Turkey there has been a great dearth of sugar.

Foreign Trade Returns for 1925.—The value of imports into Turkey in 1925 was £T.193 mill., as against £T.120 mill. in 1924. Exports increased in value to a much greater degree, rising from £T.50 mill. in 1924 to £T.158 mill in 1925. The adverse balance of foreign trade has thus been reduced during the year by some £T.35 mill., the figures being £T.70 mill. for the year 1924 and £T.35 for the past year. The rise in the total value of imports in 1925 to the extent of Sch.73 mill. is chiefly to be attributed to the large orders given during the year for foreign material for the Turkish railways) (*Wirtschaftliche Nachrichten*, Vol. 3 (9), No. 12..

INDUSTRY

The Leather Industry.—In Turkey there exist the primary conditions for the successful development of the leather industry, states the *Moniteur Officiel Français du Commerce et de l'Industrie*. The country is noted for its breeding of live-stock, possessing, in fact, some 24 mill. head of sheep and goats. All the requisite materials for tanning are produced within the country, although there is a lack of the material used by the modern processes and also a dearth of skilled leather workers. Endeavours are being made to develop the industry, which as yet is but in its infancy. The work at present is chiefly directed to the preparing of light skins, such as those of the sheep, lamb, goat and kid. The production of "Turkey leather" and shagreen, which was formerly conducted on a grand scale, has considerably declined during recent years and Turkey has had to import certain quantities to satisfy the home demand. Heavy import duties have now been imposed on these commodities, so as to stimulate the home production. The principal vilayets producing sheep skins are Erzerum, Brusse and Diarbékir; goat skins are mainly obtained from Brusse, Castamoni, Trébizond and Sivas; kid skins from Andrinople, Aidin, Konia and Angora. The volume of leather produced from light skins is estimated at 8 per cent. of the total production of the country. The statistics for 1913–1914 show that 248,692 skins to the value of £T.27,955 passed through the Turkish tanneries. About 32 per cent. of the exports of light skins go to France; 16 per cent. to Great Britain; 10 per cent. to Belgium; 10 per cent. to Germany; and 10 per cent. to Egypt. The exportation of heavy skins, such as ox-hides, cow-hides and buffalo-hides is negligible; it is scarcely possible to compete against the hides of Europe, Asia and America in the foreign market.

The Turkish tanneries have not yet freed themselves from the primitive methods of the past. Of the three processes in the preparation of leather, namely, cleaning, tanning proper and currying, the first is still conducted under conditions little calculated to preserve the leather and to prevent it from decomposing, whilst the last process is carried out superficially so that the wrinkles are rarely completely removed, with the result that the value of the leather is depreciated. There is, however, a model tannery with an entirely modern installation at Yédi-culé near Stamboul, capable of tanning a million skins per annum and of manufacturing a good quality leather for the soles of boots, for which there is a big demand. There are also ten other smaller tanneries at Yédi-culé, some of which possess up-to-date plant.

The industry is for the most part centred around Constantinople and Smyrna. A bank recently re-established the old tannery of Béicos on the Asiatic side of the Bosphorus, and a Turkish company with a capital of £T.45,000 has started another tannery at Zafranbulu in the vilayet of Kastamoni on the Black Sea. Further, the Government has authorised the creation of a new company with a capital of £T.130,000 for the purpose of founding a new tannery at Yalvadj in the vilayet of Konia, under the management of the specialist who has studied the modern processes in America. There are now, in addition, a large number of small concerns scattered in various parts of the interior of Asia Minor.

YUGO-SLAVIA

POLITICAL AND GENERAL

The New Government and Political Instability.—The Ministerial crisis that followed the resignation of M. Pashich and his Cabinet proved to be very short. M. Nikola Uzunovich, a prominent member of the Radical group, was entrusted with the task of forming a new Ministry and he succeeded in maintaining the coalition of the Radicals and the Peasant Croat party. The change represented, however, a heavy loss for the Radicals, since their leader, M. Pashich was excluded from the new Cabinet, whilst M. Radich, the leader of the Croats, retained a place in the Ministry. The new Premier also took the Finance portfolio in the place of M. Stoyadinovich. The fact that M. Radich was in the new Government, whilst M. Pashich was sacrificed in order that the Coalition might be preserved, produced an impression among the public that the new Government was only a provisional one and that a fresh crisis would arise. The *Trgovinski Glasnik* commented that the great evil of the present Yugo-Slav political life consisted in the fact that nobody believed in the stability of the Government. The public was much more interested in the moves of personalities outside the Government than in the activity of the Government itself. The change undoubtedly aroused great discontent among the Radicals so that it was hardly to be expected that the coalition Government would survive. There was even a noticeable coolness in the Ministerial parties towards their own Government. In fact, the new Government was accepted with general distrust.

The expected happened, though sooner than expected. The new Government did not survive long enough to meet Parliament, which had been convoked for May 5. The latest crisis, writes the *Central European Observer*, was provoked by the serious accusations of corruption brought against the Minister of Education and leader of the Croat Peasant party, M. Stephan Radich, and against other individual members of the Cabinet. In consequence of the accusations the Premier called M. Radich to tender his resignation. This M. Radich refused to do, and the Government thereupon decided to resign *en bloc*. M. Uzunovich was again entrusted with the formation of a Cabinet and he got together his list in wonderfully quick time. He has succeeded in dividing the Radich Croat party into two sections, one of which is represented in the Cabinet. The new Government does not, however, posses a majority in the Skupshtina. Thus the position of the new Ministry is far from secure, and the resignation of the second Uzunovich Cabinet is expected shortly. In Belgrade political circles it is thought that after M. Uzunovich's second attempt will have failed, the most likely combination will be a so-called "Concentration" Cabinet composed of the Radical and Croat Peasant parties together with the opposition *bloc* that formed the Davidovich Cabinet in 1925.

The *Samoouprava* of April 16, commenting on the general situation, states that M. Radich has by his action proved himself incapable of holding Ministerial office. Other journals, on the contrary, defend the Croat leader, declaring that of all the politicians in the country he is the one who can be best relied upon for absolute integrity and that he owes his present defeat to the fact that he was able to keep his hands clean.

The new Ministry, according to the *Zagreber Tagblatt*, includes Dr. N. Perich as Minister of Finance, M. Montchilo Ninchich as Minister of Foreign Affairs, M. Milan Simonovich as Minister of Social Welfare, Dr. Benjamin Chupérin as Minister of Agrarian Reform, and General Duchan Trifunovich as Minister of War and Marine.

TRADE

Foreign Trade Returns for 1925.—The official statistics of Yugo-Slavia's commercial exchanges with foreign countries in 1925 have been published somewhat tardily owing to the extraordinary delay in publishing the figures for the trade in December last. The aggregate value of imports for the year is given at 8,752,878,739 paper dinars, and that of exports at 8,904,539,328 paper dinars, the favourable balance of trade thus being 151,660,589 paper dinars. Although this result represents a considerable decline in the excess of exports over imports, as compared with the trade in 1924 when the favourable balance attained the record figure of 1,317 mill. dinars, it is a vast improvement on all the years preceding 1924, when the balance was invariably adverse. The following list of the annual returns enables a comparison to be made between the results since the beginning of 1919 (in millions of paper dinars):—

	Imports.	Exports.	Trade balance.
1919	2,982.0	686.8	— 2,295.2
1920	3,465.8	1,320.6	— 2,145.2
1921	4,122.0	2,460.7	— 1,661.3
1922	6,441.8	3,691.1	— 2,750.7
1923	8,309.6	8,048.8	— 260.8
1924	8,221.7	9,538.7	+ 1,317.0
1925	8,752.8	8,904.5	+ 151.7

It will be noted that whereas the value of imports in 1925 is about three times that of 1919, the value of exports is over twelve times as great as in 1919. Although it appears from the paper dinar reckoning that the value of exports in 1925 was below that of 1924, converted into gold dinars, as the *Zagreber Tagblatt* points out, exports in 1925 amounted to 783,349,517 gold dinars and exports in 1924 to 671,271,451 gold dinars, or 16.69 per cent. more in 1925 than in 1924. Similarly the gold value of imports in 1925 was 769,273,638 gold dinars as against 578,588,568 gold dinars in 1924. The total quantity of imports in 1925 amounted to 1,513,862 tons, as against 1,127,686 tons in 1924, while exports rose to 4,398,466 tons in 1925.

The *Trgovinski Glasnik* of April 11 publishes the following list of the countries participating in the supply of Yugo-Slav imports during the past year:—

Country of Origin.	Value (in millions of paper dinars).	Percentage of total imports.
Italy	1,644.1	18.78
Austria	1,604.2	18.33
Czechoslovakia	1,558.8	17.81
Germany	866.3	9.90
Great Britain	713.1	8.15
Hungary	440.4	5.03
United States	341.5	3.90
France	323.1	3.69
Rumania	315.6	3.61
Greece	261.2	2.98
Holland	159.5	1.82
Brazil	99.0	1.13
Switzerland	84.5	0.97
Poland	74.1	0.85
India	73.1	0.84
Belgium	42.3	0.48
Argentina	34.9	0.40

The imports from Great Britain decreased by about 159 million, as compared with 1924. The imports from the remaining countries in no case exceeded 20 mill. dinars in value, the chief of them being from Tunis, Denmark, Bulgaria, Norway, Turkey, Russia and Sweden.

The main foreign markets for Yugo-Slav products were as shown hereby :—

Country of destination.	Quantity (in tons).	Value (in millions of paper dinars).	Percentage of total exports.
Italy	1,747,764	2,249.3	25.26
Austria	468,919	1,651.4	18.55
Rumania... ...	338,783	1,213.9	13.63
Czechoslovakia ...	309,348	834.3	9.37
Greece	303,050	658.4	7.40
Germany... ...	93,974	636.8	7.15
Hungary ...	361,500	458.2	5.15
Switzerland ...	46,738	364.8	4.10
France	71,845	180.5	2.00
Poland	4,550	97.9	1.10
Great Britain ...	60,726	85.9	0.97

In all other cases the exports from Yugo-Slavia to any single country were below 1 per cent. of the total value of exports in 1925, the most important of the remaining countries being Egypt, the United States, Bulgaria, Turkey, Holland, Albania and Portugal.

The main imports in 1925 were as follows :—

	Quantity (in tons).	Value (in millions of dinars).	Percentage of total imports.
Cotton	15,681	1,377.2	15.7
Woollens	3,649	616.5	7.1
Cotton fabrics	7,754	396.8	4.5
Machinery and apparatus ...	23,883	368.9	4.2
Iron and ironmongery ...	32,832	350.9	4.0
Raw coffee	10,004	277.6	3.2
Coal	545,747	260.8	3.1
Flour	51,378	228.3	2.6
Skins of domestic animals...	7,997	196.6	2.3
Raw cotton	5,753	173.5	2.0
Transport material	9,330	153.2	1.8
Culinary salt	71,525	142.8	1.6
Semi-manufactured iron ...	49,619	120.3	1.4
Petroleum	39,000	120.1	1.4
Shelled rice	20,088	116.6	1.3
Electro technical material ...	3,370	108.9	1.2
Sacks	6,068	104.8	1.2
Vegetable oils	7,677	97.6	1.1
Sheet iron	21,981	96.9	1.1
Wheat, rye and groats ...	23,933	91.2	1.0

The value of any other single commodity imported in no case exceeded 1 per cent. of the total imports.

The leading exports in 1925 were as shown below in comparison with 1924 (in millions of dinars) :—

	1925.	1924.
Maize	2,055.7	585.5
Timber for building	1,118.7	1,620.1
Eggs	608.9	618.6
Wheat	501.5	683.8
Cattle	466.8	745.3
Fresh meat	313.3	452.9
Hops	243.7	91.4
Copper	227.7	346.5
Wheaten flour	198.7	343.1
Prunes	191.0	179.0
Live swine	123.5	271.4
Horses	122.2	231.7
Other commodities	2,772.8	3,369.9

The *Privredni Pregled* under dates of March 26 and April 4 published a very useful list of the quantity and value of every individual commodity exported from Yugo-Slavia to each of the foreign markets. The list is too extensive to reproduce here, but we have extracted the figures relative to exports to Great Britain in 1925. (The statistics for previous years were published in The Economic Review of December 11, 1925.)

Exports to Great Britain in 1925.

Commodity.	Quantity (in tons).	Value (in dinars).
Maize	2,683	5,427,453
Timber for building	16,223	17,817,917
Eggs	81	1,636,000
Wheat	800	2,300,000
Fresh meat	58	806,730
Hops	6	551,000
Wheaten flour	—	60
Prunes...	89	586,770
Cement	17,370	7,735,981
Hemp	81	1,046,793
Lead, in plates	91	1,044,900
Sugar	—	50
Manufactures of wood ...	58	535,502
Beans	10	21,780
Firewood	44	37,000
Medicinal plants	6	46,500
Cellulose	150	490,000
Cotton thread	—	1,000
Writing paper	—	345
Ferro-silicon	153	1,424,000

Export Returns for January and February.—According to the official statistics recently issued exports in January were valued at 566,611,590 dinars, as against 762,717,054 dinars in January 1925. Maize exports totalled 65,582 tons to the value of 97.9 mill. dinars ; timber, 130,120 tons, 71.9 mill. dinars ; cereals, 40,961 tons, 68.3 mill. dinars ; fresh meat, 2,663 tons, 41.9 mill. dinars ; eggs, 1,307 tons, 27.2 mill. dinars ; prunes, 2,985 tons, 17.3 mill. dinars ; 10,182 head of cattle to the value of 31.5 mill. dinars, and 16,011 head of swine to the value of 20.5 mill. dinars were also exported.

February exports totalled 345,873 tons to the value of 514.9 mill. dinars (or 47 mill. gold dinars). Compared with February 1925 this quantity shows an increase of 3,231 trucks, although the value in paper dinars is about 178 mill. lower. The main exports were : wheat, 17,393 tons, 53.2 mill. dinars ; other cereals, 1,549 tons, 2.4 mill. dinars ; maize, 51,133 tons, 73.0 mill. dinars ; wheaten flour, 2,379 tons, 11.5 mill. dinars ; beans, 1,564 tons, 2.6 mill. dinars ; fresh fruit, 408 tons, 1.3 mill. dinars ; prunes, 1,722 tons, 10.4 mill. dinars ; hops, 72 tons, 4.6 mill. dinars ; oakum, 806 tons, 7.8 mill. dinars ; horses, 3,815 head, 10.2 mill. dinars ; cattle, 8,419 head, 26.1 mill. dinars ; swine, 12,091 head, 15.7 mill. dinars ; small live-stock, 7,605 head, 1.6 mill. dinars ; fresh meat, 1,625 tons, 26.0 mill. dinars ; lamb and kid skins, 66.4 tons, 2.4 mill. dinars ; skins of wild animals, 25 tons, 4.9 mill. dinars ; firewood, 28,054 tons, 5.9 mill. dinars ; timber for building, 85,398 tons, 67.7 mill. dinars ; tanning materials, 762 tons, 3.6 mill. dinars ; cyanamide, 3,359 tons, 10.7 mill. dinars ; cement, 22,098 tons, 8.7 mill. dinars ; ores, 79,616 tons, 8.7 mill. dinars ; plate lead, 615 tons, 6.9 mill. dinars. (*Trgovinski Glasnik*, April 6, and *Zagreber Tagblatt*, April 9.)

COMMUNICATIONS

Railway Development 1919 to 1925.—The Agram correspondent of the *Mitteleuropäische Wirtschaft, Neue Freie Presse*, gives in the issue of this journal of April 17 last an account of the development and the present situation of the railway system in Yugo-Slavia. When the present State of Yugo-Slavia came into being, he writes, the country possessed approximately 9,000 kilometres of railway track, which has been increased since 1918–1919 by a further total length of 1,000 kilometres. At the end of 1925 there were 10,039 kilometres of railroad track in actual use. The gauge of the tracks differs on the various lines. The normal gauge of 1,435 metres is used over a total length of 6,756.7 kilometres of the railways ; a gauge of 0.76 metres over 2,525.2 kilometres ; a gauge of 0.60 metres over 545.9 kilometres, and a gauge of 1 metre over a length of 183.5 metres. There are altogether 274 kilometres of double track.

Within the period from June 1, 1920, to the end of 1925 sixteen new lines were laid down to the total length of 767.7 kilometres, whilst the work of construction is at present proceeding over a further length of 122 kilometres of new lines. The Budget for the financial year 1926–1927 provides for the construction of 400 kilometres of additional railway tracks. A big undertaking has been commenced in the building of a tunnel through the Ivan–Planina with a total length of three kilometres, with the object of linking up Bosnia and Serbia with better services. Since 1919 there has been much activity in connection with the construction of new bridges and the reparation of existing bridges. The railway construction programme provides for the laying down of sixty new lines of a total length of 4,000 kilometres. No definite decision has yet been arrived at

in respect to the project to construct an extensive Adriatic system.

The State owns 61.8 per cent. of the railways in Yugo-Slavia; the remaining lines belong to the Southern Railway and to local authorities. Practically all the railways are, however, controlled by the State. About 500 kilometres of narrow gauge lines belonging to the State are under private management. Actually, about 9 per cent. of the Yugo-Slav railway system is managed privately and 91 per cent. by the State. In the year 1919 there were altogether 781 locomotives and 31,558 trucks and wagons in running order, and 850 locomotives and 8,164 trucks and wagons awaiting repairs. In 1925 the number of available engines was 1,609 and of trucks and wagons 37,703; in the repairing shops were 1,071 locomotives and 19,004 trucks and wagons. In addition, there were 5,349 goods trucks abroad.

The Yugo-Slav railways are invariably run at a profit. During the period since the end of 1918 to the end of 1925 the total receipts amounted to 6,400 mill. dinars, whilst the total expenditure was 5,300 mill. dinars, a surplus of 1,100 mill. dinars having been realised. The passenger and goods rates have admittedly been several times raised during the period in question.

THE ECONOMIST'S BOOKSHELF.

UNEMPLOYMENT AND ITS CURE.

The Disease of Unemployment and the Cure. By Sir Ernest W. Petter. (London: Hutchinson & Co., Ltd. Price, 1s. net.)

Some years ago a famous German industrialist, W. Rathenau, set out in a small volume the fundamental relation between industry and national prosperity. In the present little volume an English industrial magnate shows us "how peace in industry and prosperity in our industries can be restored to Great Britain in six months without revolution." Sir Ernest Petter claims to have discovered a remedy for unemployment "so obvious as to have been hitherto overlooked, and so certain in its potential result that he believes it must appeal to the inherent common-sense of every member of the community." These remedies—one is insufficient after all—are summarised as follows: "(1) Re-adjustment of wages to the proportions shown correct under pre-war economic conditions, by raising wages of skilled workers in manufacturing industries." Under the so-called pre-war economic conditions, however, the wages of skilled workers were far from correct. Sir Ernest Petter seems to have forgotten the terrible strike in his own industry in 1897, and he ignores altogether the fundamental law that labour, like all things that are produced and sold, and which may be increased or diminished in quantity, has its natural and market price. Wages are determined by the demand for labour, and many persons hold that unskilled labour should receive higher pay than skilled because its work is less interesting. Moreover, unemployment existed, sometimes in acute form, before the war, while six million persons were unemployed in the United States in 1920 although the wages of skilled workers in that country were notoriously high. Unemployment is attributed by the highest experts to "business cycles," and these will recur irrespectively of the wages of skilled and unskilled workers. "(2) The restoration of exchange to its proper function and the prevention of either inflation or deflation by artificial means." This may be desirable, but it involves the socialisation of finance, or at least its rigid control, a subject which the author ignores. "(3) Severe restriction for the time being of the importation of all luxuries, and all manufactured goods which we are able to make for ourselves." Were this restriction enforced, the restoration of exchange to its proper function would be of little importance, but our export trade would be diminished by some 50 per cent. if our agriculture were developed, as Sir Ernest Petter suggests. "(4) Removal of all restrictions upon output whether by employers or employees." This is eminently desirable, but, since prices and wages fall as output rises or demand slackens, restriction of output is likely to be practised by both parties as heretofore. "(5) Stern national and individual economy and reduction of expenditure." Were this carried into effect, a cynic would declare that the demand for goods would decrease and unemployment would be acerbated. The most astonishing feature of Sir Ernest Petter's proposals is his claim for their originality, yet every one of them has been expounded at length in various publications during the last few years. J. S. H.

PUBLICATIONS RECEIVED.

America and Rubber Restriction. By David M. Figart, Special Agent of the Department of Commerce of the United States 1923–24. (New York.—London: 31, Marryat Road, Wimbledon)

Annali di Economia. May 1926. (Milan: Università Bocconi. Price, L.100 per annum.)

Bulletin of the Pan American Union. May 1926. (Washington, U.S.A. Price, $2.50 per annum, with an additional charge of 75 cents.)

Constitution, Functions and Finance of Indian Municipalities. By K. T. Shah, Professor of Economics, University of Bombay, and G. J. Bahadurji, M.A., L.T.C.L., Principal, Alexandra Girls' English Institution. (Bombay.—London: P. S. King & Son, Ltd. Price, 25s. net.)

Federal Regulation of Railroad Security Issues. By Julius Grodinsky. (Philadelphia: University of Pennsylvania.)

Hedging by Dealing in Grain Futures. By George Wright Hoffman. (Philadelphia: University of Pennsylvania.)

International Labour Review. May 1926.—International Labour Office. (Geneva.—London: George Allen and Unwin, Ltd. Price, 2s. 6d.; annual subscription, 24s., post free.)

Journal des Economistes: Revue Mensuelle de la Science Economique et de la Statistique. May 15, 1926. (Paris: Librairie Félix Alcan. Price, Fr.9; annual subscription, Fr.70.)

Kommersiella Meddelanden utgivna av Kommerskollegium. May 15, 1926. (Stockholm. Price 75 öre: annual subscription, Kr.15.)

Labour Gazette. April 1926. (Bombay: Government Labour Office. Price, Rs.1; annual subscription, Rs.12, post free.)

Résultats du Relevé Statistique des Forêts dans la République Tchécoslovaque d'après l'état en 1920. With nine maps. (Prague: Bursík & Kohout. Price, Cz.Kr.40.)

Revue Economique Internationale. May 1926. (Brussels: 123, Rue de la Victoire. Price, Fr.18 French; annual subscription, £2 10s.)

The Definition of Income and its Application in Federal Taxation. By William Wallace Hewett. (Philadelphia: University of Pennsylvania.)

The National Bank of Czechoslovakia: Speeches made at the Constituent General Meeting 21st March, 1926, by Dr. Karel Englis, Minister of Finance, and Dr. Vilém Pospísil, Governor of the National Bank of Czechoslovakia. (Prague: "Orbis" Publishing Company.)

The Stock Exchange Official Intelligence 1926. *Being a carefully revised Précis regarding British, Indian, Colonial, American, and Foreign Securities.* Edited by the Secretary of the Share and Loan Department of the Stock Exchange. (London: Spottiswoode, Ballantyne & Co., Ltd. Price, 60s. net.)

Ulster Year Book, 1926. Published by authority of the Minister of Finance. (Belfast: H.M. Stationery Office. Price, 1s. net.)

Unemployment as an International Problem. By J. Morgan Rees, M.A., Lecturer in Economics and Political Science, University College of Wales, Aberystwyth. (London: P. S. King & Son, Ltd. Price, 10s. 6d. net.)

Workmen's Compensation in the United States. By Ralph H. Blanchard, Ph.D. (Columbia University). Studies and Reports, Series M (Social Insurance), No. 5.—International Labour Office. (Geneva.—London: P. S. King & Son, Ltd. Price, 1s. 6d.)

FOREIGN BANK RATES.

	Per cent.		Per cent		Per cent.
Amsterdam	3½	Dublin	6	Prague	6
Athens	10	Geneva	3½	Reval	9
Belfast	6	Helsingfors	7½	Riga	8
Belgrade	6	Kovno	7	Rome	7
Berlin	7	Lisbon	9	Sofia	7
Brussels	7	Madrid	5	Stockholm	4½
Bucharest	6	Moscow	8	Tokyo	7.3
Budapest	7	New York	3½	Vienna	7½
Copenhagen	5½	Oslo	5½	Warsaw	12
Danzig	8	Paris	6		

The official discount rates of the State Bank in Moscow for bills at two months is 8 per cent., for bills at four months 9 per cent. and for bills at six months 9½ per cent.

STATISTICAL SECTION

THE TRADE BAROMETER

Our weekly index is composed of quotations for the ten following commodities :—

1. Pig iron. 2. Tin. 3. Coal. 4. Linseed Oil. 5. Cotton. 6. Wool. 7. Hides. 8. Wheat. 9. Bacon. 10. Sugar.

Table I. shows the movements of our ten commodities in the aggregate, and Table II. the movements of each of them in relation to the others. We have chosen December 30, 1921, as our base, the price of each commodity on that day being represented by 100 (at a time when the index in Table I. stood at 150). For a full explanation of our index number see THE ECONOMIC REVIEW, Aug. 29, 1924, page 194.

TABLE I.

Date	10 Commodities	Bd. of Tde Monthly Average	Date	10 Commodities	Bd. of Tde Monthly Average	Date	10 Commodities	Bd. of Tde Monthly Average	Date	10 Commodities	Bd. of Tde Monthly Average
1920.											
Jan. 16	367.9	296.6	1923								
May 14	391.2	325.5	Jan. 12	162.8	157.0	Apr. 18	177.5	164.7	July 17	160.3	157.5
July 16	418.8	316.9	Feb. 16	177.2	157.5	May 16	171.2	163.7	Aug. 14	158.6	157.0
Dec. 17	257.0	263.8	Mar. 16	192.4	160.3	June 20	167.8	162.6	Sept. 18	158.3	156.0
1921			Apr. 20	198.5	162.0	July 18	167.1	162.6	Oct. 16	154.1	154.8
Jan. 14	244.2	245.9	May 18	198.1	159.8	Aug. 15	175.3	165.2	Nov. 13	153.2	153.7
Apr. 15	202.8	204.8	June 15	190.0	159.3	Sept. 19	167.9	166.9	Dec. 18	153.0	153.2
July 15	194.4	194.1	July 20	177.3	156.5	Oct. 17	172.5	170.2	1926		
Oct. 14	170.2	180.7	Aug. 17	174.6	154.5	Nov. 14	173.3	169.8	Jan. 15	151.6	151.3
Dec. 16	153.2	167.9	Sept. 14	173.2	157.8	Dec. 12	171.7	170.1	Feb. 12	148.4	148.8
Dec. 30	150.0		Oct. 19	166.0	158.1	1925			Mar. 12	146.1	144.4
1922			Nov. 16	171.7	160.8	Jan. 16	174.8	171.0	„ 26	145.2	
Jan. 20	144.0	164.0	Dec. 14	177.0	163.4	Feb. 13	175.2	168.9	April 16	148.1	143.6
May 19	162.1	160.6	1924			Mar. 13	172.8	166.3	„ 30	148.4	
July 14	165.1	160.3	Jan. 18	178.6	165.4	Apl. 17	161.9	162.5	May 21	150.2	
Sept. 15	161.2	154.3	Feb. 15	187.9	167.0	May 15	158.7	159.0			
Dec. 15	161.2	155.8	Mar. 14	182.1	165.4	June 19	160.6	157.6			

TABLE II.

Date	Pig iron.	Tin.	Coal.	Linseed Oil.	Cotton.	Wool.	Hides.	Wheat.	Bacon.	Sugar.	Mean.	Date.
Dec. 30, 1921	100	100	100	100	100	100	100	100	100	100	100	Dec. 30, 1921
1922												1922
July 28 ...	92.9	94.5	97.2	157.9	110.1	111.1	97.1	119.0	116.5	119.2	111.15	... July 28
Sept. 29 ...	94.3	95.2	92.9	135.1	105.9	117.8	96.4	82.8	104.0	134.6	105.90	... Sept 29
Nov. 3 ...	95.5	107.5	100.0	140.3	119.9	133.3	106.5	91.9	104.8	134.6	113.43	... Nov. 3
Dec. 29 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... Dec. 29
1923.												1923
May 18 ...	110.8	117.9	128.3	166.7	120.2	137.8	102.9	102.7	91.2	242.3	132.08	... May 18
Oct. 12 ...	93.4	117.1	90.6	150.9	136.4	126.7	84.8	83.0	66.2	145.9*	109.50	... Oct. 12
Nov. 16 ...	97.2	127.4	97.2	149.1	165.8	128.9	87.0	86.2	73.5	132.7	114.50	... Nov. 16
1924.												1924
Feb. 15 ...	96.7	163.4	96.2	171.9	159.6	151.1	91.3	100.4	65.8	156.1	125.25	... Feb. 15
July 11 ...	89.6	128.9	74.5	140.4	140.6	142.2	92.8	111.5	80.9	101.4	110.28	... July 11
1925												1925
Feb. 27 ...	84.0	153.8	69.8	178.9	116.0	160.0	95.7	128.9	88.6	95.3*	117.10	... Feb. 27
Oct. 30 ...	74.5	171.2	59.4	131.6	90.7	115.6	108.7	97.2	94.9	70.6	101.44	... Oct. 30
1926												1926
Feb. 5 ...	72.2	165.2	63.2	114.0	92.2	102.2	100.0	114.6	94.1	78.8	99.65	... Feb. 5
Mar. 26 ...	72.2	165.7	60.4	108.8	87.7	102.2	92.8	108.3	97.1	72.9	96.81	... Mar. 26
Apr. 30 ...	72.2	163.9	60.4	107.9	87.9	106.2	89.9	117.0	103.7	80.0	98.91	... Apr. 30
May 21 ...	71.7	161.5	60.4	108.8	89.8	109.4	87.0	124.9	105.9	81.8	100.12	... May 21

* Revised Quotation.

SECURITY PRICES.

The following table shows the course of prices for a representative number of industrial stocks and long dated railroad bonds in New York, for twenty representative industrial ordinary stocks in London, and for a selected number of long-dated British Government securities. The prices of the last-named have been averaged exclusive of accrued interest. In all cases the price at December 30, 1921, is taken as 100. Significant maximum figures are shown in heavy type and minimum figures in italics.

IN NEW YORK.			IN LONDON.		IN NEW YORK.			IN LONDON.	
Week ending	Industrials.	Bonds.*	Industrials.	Gilt edged.	Week ending.	Industrials.	Bonds.*	Industrials.	Gilt edged.
1920, Jan. 1	128.5	94.1	172.4	99.7	**1925,** Jan. 3	150.7	101.6	133.8	117.5
1921, Jan. 1	89.9	89.0	116.3	88.6	„ 17	151.8	101.9	137.8	117.5
Aug. 20	*80.3*	90.4	105.4	93.3	June 6	158.2	105.3	128.0	115.3
Oct. 29	91.1	92.0	*91.1*	94.4	„ 27	160.0	104.7	123.7	*113.0*
1922, Jan. 1	100.0	100.0	100.0	100.0	July 18	165.9	103.2	*120.4*	115.5
May 13	114.6	102.4	114.9	**117.9**	Aug. 1	165.8	*101.5*	122.2	115.7
Sept. 16	123.8	**107.6**	115.2	112.5	„ 22	176.2	102.5	126.3	**117.3**
Oct. 7	123.9	106.1	113.3	*111.7*	Nov. 7	195.4	102.7	134.1	114.7
1923, Jan. 1	121.7	102.5	119.5	113.3	Dec. 19	188.9	103.3	130.6	112.8
Mar. 17	**129.2**	98.5	129.3	117.0	**1926,** Jan. 2	195.5	103.6	133.3	113.0
„ 24	127.3	*97.8*	129.0	118.1	„ 9	196.1	103.6	**135.1**	113.1
Apr. 28	124.1	99.3	**137.9**	122.8	Feb. 13	**199.9**	104.9	132.0	114.8
June 9	119.7	100.8	130.6	123.5	Mar. 20	178.5	105.1	126.6	113.6
Oct. 27	*105.7*	99.7	126.5	119.7	Apr. 17	168.7	106.9	121.8	113.3
1924, Jan. 1	117.4	98.4	121.3	114.5	May 1	176.8	107.6	122.6	114.7
„ 19	119.1	100.1	119.1	*112.2*	„ 8	172.9	107.2	119.5	112.5
June 21	115.3	103.3	*118.2*	118.0	„ 15	170.2	107.3	119.9	112.6
Nov. 8	130.1	103.7	133.7	**120.4**	„ 22	173.1	107.1	125.8	114.3

* Prices supplied by Messrs. Bernhard Scholle & Co., Ltd.

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